

Economy Slowing In U.S.

Index Declines Despite Drop in Interest Rates

WASHINGTON — The U.S. government's main economic-forecasting gauge fell 0.2 percent in April, the first decline this year, signaling that the lagging economy has yet to feel the effect of lower interest rates.

The Commerce Department report issued Thursday was generally in line with the expectation of market analysts, although they had predicted a larger drop.

The dollar advanced in New York despite the decline in the indicators index. Page 10.

been split over whether the Index of Leading Economic Indicators would move up slightly or down slightly.

Interest rates have been driven lower in the past two months, first by reduced demand for credit as business executives scaled back their activity and then by the Federal Reserve's lowering of its discount rate in an effort to stimulate an economy which grew at an annual rate of only 0.7 percent in the first quarter.

Government and private analysts have emphasized, however, that it will take at least a few months for lower interest rates to start showing an effect on the index.

In the order of their impact on the composite figure, the negative factors in the April index were: contracts and orders for plant and equipment, money supply, vendor performance, average workweek, building permits and net business formation. A decline in vendor performance means companies were receiving slower deliveries from their suppliers.

The four indicators making positive contributions, in the order of their impact, were new orders for consumer goods and materials, change in sensitive materials prices, stock prices and average weekly initial claims for state unemployment insurance.

Commerce Secretary Malcolm Baldrige called the April report "disappointing."

"Our economy has been in a temporary lull with much of the recent sluggishness reflecting a poor performance in goods-producing industries," he said.

"Several signs point to a pickup in the economy. Consumer confidence and consumer spending both improved in April, and housing starts rose to their highest level in a year. The catch-up in federal income tax refunds now in progress should add to consumer demand. These developments will be bolstered by recent declines in interest rates, leading to stronger growth through the rest of the year."

The report included upward revisions for February and March, primarily because of a change in inventories on hand and on order in both months.

The February figure was revised from a 0.5-percent gain to a 0.7-percent increase, and the March figure was changed from a 0.2-percent decline to a 0.1-percent gain.

Reagan administration officials have started to hedge their forecast of 4-percent economic growth this year in the face of a series of lackluster economic measures.

However, the consensus of economists in and out of government is that the economy will pick up enough to grow about 3 percent for the year.

The index of leading indicators is designed to give insight into the shape of the economy six to nine months into the future.

However, it is a volatile report that often moves up or down within a small range, especially in times of unclear economic trends. It has not risen for three consecutive months since last May.



Belgian emergency workers use a makeshift stretcher to carry an injured spectator from the soccer field.

Passage of U.S. Tax Reform Called Likely

By David S. Broder
Washington Post Service

WASHINGTON — President Ronald Reagan's chances of getting a tax-simplification bill through Congress look better than ever, according to leaders of both parties, but the Republican Party's prospects of turning it into a breakthrough political issue have probably declined.

The ball-game is over," said Howard H. Baker Jr., the former Senate majority leader, on Wednesday, predicting congressional approval of a major tax bill "faster than most people expect." He added, "I have never seen such a consensus of important opinion on a major issue."

"When you get" Representative Dan Rostenkowski "backstopping" Ronald Reagan, you've got a combination that can't be beat," Mr. Baker said. Mr. Rostenkowski, an Illinois Democrat, is chairman of the House Ways and Means Committee.

Others on Capitol Hill were more cautious about the prospects, but the positive response reported by several congressional offices to Mr. Reagan's and Mr. Rostenkowski's speeches Tuesday night clearly improved the legislative climate. Critics of key provisions of the Reagan plan toned down their

barbs Wednesday, as the strength of the bipartisan drive for tax reform became clear. But both parties, and their potential presidential contenders, continued to maneuver for advantageous positions.

Rallying behind Mr. Rostenkowski, whose televised response to Mr. Reagan's speech on tax simplification was praised by Mr. Baker and many others in both parties as a political master stroke, Democrats moved quickly to put their party stamp on the issue. Their special target was the middle-class constituency that Mr. Reagan took from them in the 1980 and 1984 campaigns.

Republican strategists conceded that the Democrats had shown deft footwork, thanks largely to Mr. Rostenkowski's speech, but maintained that the Republicans would be the ultimate beneficiary of the gathering political momentum behind the plan.

"Rostenkowski is a big winner," Mr. Baker, a Tennessee Republican, said, "but there's going to be enough credit to go around. We Republicans will be able to brag about it, but so will the Democrats."

Mr. Reagan's initiative "reinforces the picture of the Republican Party as the party of action and the party of new ideas," said William Greener, political director of the Republican National Committee.

But a chorus of Democrats, in-

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King Hussein of Jordan with President Ronald Reagan at the White House.

OECD Report Warns of Sluggishness In Economies of West Europe, U.S.

By Axel Krause
International Herald Tribune

PARIS — The Organization for Economic Cooperation and Development warned the United States and Western Europe on Thursday that their economic growth was slipping well below that of Japan. The OECD added that the U.S. and European sluggishness could lead to a slight slowdown in the average expansion rate of the OECD area during the next 18 months.

The OECD predicted that the inflation-adjusted growth for the OECD nations as a whole would be about 3.25 percent this year and slow to 2.75 next year. It was 4.9 percent last year.

In the strongest terms it has used yet, the OECD also urged some Western European governments, which it did not name, to consider

more expansionary policies that would involve stimulating demand through such measures as tax cuts and lowering interest rates.

OECD officials emphasized, however, that no major European governments were planning steps that would significantly change their current policies, which have been aimed primarily at combating inflation and reducing budget and trade deficits. West Germany, Britain, Austria and Finland have been cited frequently as countries well-placed to move toward more expansion.

The agency also urged the United States to reduce its federal budget deficit and suggested that Japan ease restrictions on imports, financing and credit.

The views, reflecting the views of the OECD secretariat and contained in the semiannual outlook

report, were aimed at 24 member governments, including the United States, Canada, West European nations, Japan, Australia and New Zealand.

"The risks involved would vary from country to country," according to David Henderson, head of the OECD's economics department, "but what we are saying is that there now is scope for simultaneous action on both the supply and on the demand side of certain OECD countries."

Addressing European governments, the OECD said that shifting away from currently restrictive policies could both "improve supply potential and provide some support to demand." A major goal would be reducing growing Western European unemployment, currently at more than 19 million, representing more than 10 percent of the labor force.

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U.S. Voices 'Difficulties' On Proposal By Hussein

WASHINGTON — The Reagan administration praised King Hussein of Jordan on Thursday for offering to hold peace talks with Israel but said it had "major difficulties" with his call for an international conference on the Middle East dispute.

The administration registered its opposition to participation by the Soviet Union, as Hussein proposed, until it "demonstrated its willingness to play a constructive role."

A State Department spokesman, Edward F. Dierker, said that the failure of efforts by organizers to seat all rival Israeli and British fans at opposite ends of the stadium, Belgian officials said Thursday.

The rival spectators were deliberately seated for seats that would keep them apart, but other Italian fans managed to obtain tickets for a so-called "neutral zone" adjacent to the British section, Charles-Ferdinand Nothomb, the Belgian interior minister, said.

It was assumed that the neutral section would be filled mostly by Belgians and other non-Italian spectators, Mr. Nothomb said. The tickets for the section were sold in Belgium, but many were purchased

Thatcher Blames Fans From U.K., Offers Aid To Victims' Families

By Karen DeYoung
Washington Post Service

LONDON — Prime Minister Margaret Thatcher, accepting responsibility for the riot started by British fans before the European Cup soccer final, authorized an "immediate, initial contribution" of £250,000 Thursday for the victims' families. Thirty-eight persons were killed and about 200 were injured.

The deaths and injuries occurred when supporters of the English team of Liverpool charged Italian fans of Juventus at Turin at the game in Brussels on Wednesday. A wall between two sections of the Heysel stadium collapsed, and many people fell and were crushed or trampled.

Mrs. Thatcher announced the payment, equal to nearly \$320,000, after an emergency meeting with ministers and indicated that the government would seek new legislation regulating the British soccer league.

In Turin, Juventus said it would donate \$100,000 to a fund for the victims' families, Reuters reported. A club official said players would give a further \$50,000.

[Meanwhile, the two top English soccer officials flew home from Mexico, summoned by Mrs. Thatcher for talks. The officials, Bert Millichip, chairman of the Football Association, and Ted Croker, the association's general secretary, left for home after accompanying the England national

team for a series of games against Mexico, Italy and West Germany in advance of next year's World Cup finals.]

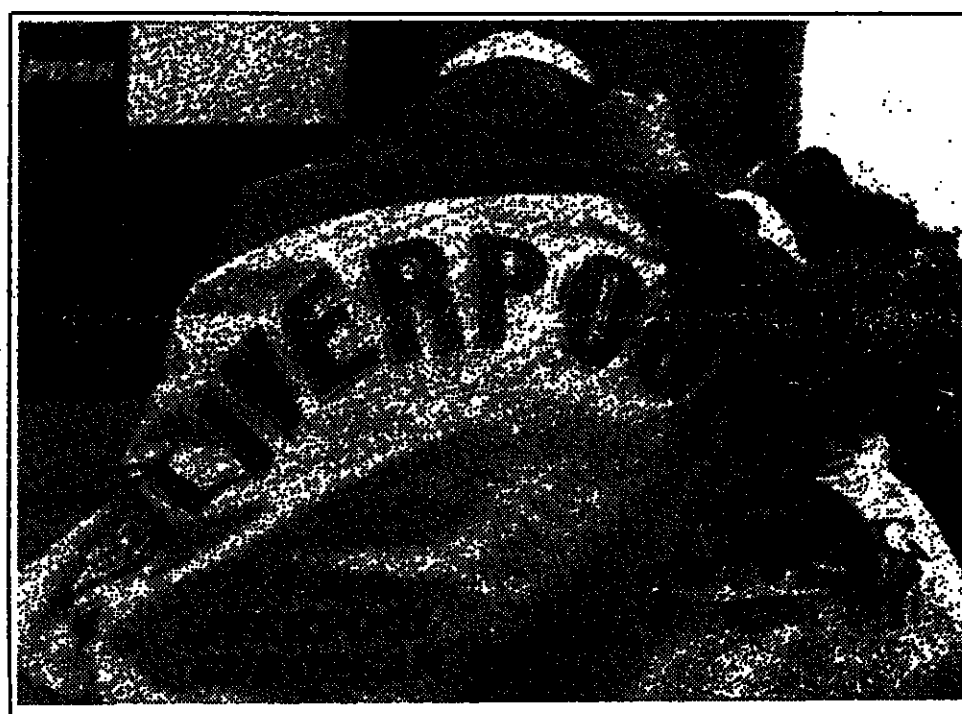
The violence, Mrs. Thatcher said, was "a very serious blow" to Britain's international image. It marked the culmination of a pattern of escalating violence at matches at home and abroad for several years that has taken an increasing toll in injuries and property damage, and gained British fans a reputation as "thugs" throughout Europe.

Some of the returning Liverpool fans criticized Belgian police for poor riot control, and a few members of Parliament said Britons were being condemned for the "accidental" collapse of the wall.

But the overwhelming reaction was one of shame and sorrow, and guilt for not addressing a national problem that has been long apparent. Many seemed to agree with Mrs. Thatcher, who said "those responsible have brought shame and disgrace to their country and to football."

Interior Minister Charles Nothomb said that Belgium would not agree to turning itself into a "police state" to ensure security against violence at sporting events.

Mr. Nothomb said, "As long as (Continued on Page 4, Col. 1)



British fans console one another in the Liverpool airport after returning from Brussels.

Effort to Seat British and Italian Fans Far Apart Went Awry, Belgians Say

By Steven J. Dryden
International Herald Tribune

BRUSSELS — A main reason for the violence at Wednesday's European Cup soccer game was the failure of efforts by organizers to seat all rival Italian and British fans at opposite ends of the stadium, Belgian officials said Thursday.

The rival spectators were deliberately seated for seats that would keep them apart, but other Italian fans managed to obtain tickets for a so-called "neutral zone" adjacent to the British section, Charles-Ferdinand Nothomb, the Belgian interior minister, said.

It was assumed that the neutral section would be filled mostly by Belgians and other non-Italian spectators, Mr. Nothomb said. The tickets for the section were sold in Belgium, but many were purchased

by Italian supporters of the Juventus team.

"This was one of the causes of the drama," Mr. Nothomb said, "I accept that fully."

Witnesses reported that tickets to the neutral stand were being sold before the game by scalpers at inflated prices.

Mr. Nothomb defended the security measures taken by his government before Wednesday's game.

Asked whether the 120 policemen stationed inside the 60,000-seat stadium were sufficient, Mr. Nothomb said police were also needed to keep order outside the stadium and other parts of the city. He put the number of police around the stadium at 780.

"It is very easy after the drama to say the police should have been

here or there," he said. "Then maybe the violence would have happened elsewhere. The police had to be everywhere."

Although several fights and a robbery in Brussels were attributed to fans the afternoon before the game, spectators in the stadium were generally peaceful during a warm-up soccer match held in the early evening.

The trouble started about a hour before the kickoff when British fans began hurling bottles and other objects at the nearby Italians, witnesses said. The two groups were only separated by a wire fence.

Mr. Nothomb said 40 police were positioned between the two groups, but this figure was disputed by witnesses who said police aid (Continued on Page 4, Col. 1)

In Russia's History, Negotiating Means Hold Firm As Geneva Talks Resume, Old Traditions Influence Tactics in the Space Age

By Seth Mydans
New York Times Service

MOSCOW — Thirty-five years ago, an American diplomat who had spent three years at the United Nations, along with Andrei A. Gromyko, decided that a heart-to-heart talk might break a persistent deadlock between them.

Taking aside the man who was to be Soviet foreign minister, the American, Frederick Osborn, spoke of his sincere desire to find a solution, and said he was sure Mr. Gromyko believed in his sincerity.

Looking quietly at him a moment, Mr. Gromyko replied, "Mr. Osborn, you may be sincere, but governments are never sincere."

In the arms talks that resumed Thursday in Geneva, Americans have been dealing with some of the hardest bargainers, an unrelenting breed of men who honor strength and in whose language the word "compromise" carries overtones of capitulation.

Literature on Russian negotiating that dates back to the early 18th-century time of Peter the

Great — when a delegation smashed its hosts' furniture to demonstrate its independence — reads like a cautionary tale against those who hope sincerity, good will and reasonableness will bring agreements.

The Russians have grown more sophisticated since Peter the Great, or even since the days of Stalin, when outright insults were part of the negotiating repertoire. But they remain unrelenting negotiators who stake out extreme positions and wait for their adversaries to make concessions.

Not long ago, a senator, meeting with a Soviet negotiator at troop-reduction talks in Vienna, asked when Moscow planned to respond to a Washington proposal.

The Russian, evidently reluctant to make it appear that the Americans were taking the initiative, replied: "We will have no response. But soon we will be presenting a new position."

Misunderstandings and unrealistic hopes regarding negotiations with the Russians have led to disappointments and lost opportunities over the years, and one negotiator after another has

left his successors a new set of rules of the road for dealing with the Russians.

These include the need for patience, self-control, firmness and a low-key response to the seesaw swings in atmosphere that the Russians often impose.

They describe the futility of trying to "bank good will," the dangers of "negotiating with oneself" and the folly of trying to budge the Russians from what they see as being in their best interest.

"Russians can be dealt with satisfactorily only when they themselves want something and feel themselves in a dependent position," said George F. Kennan, the diplomat and historian, in listing his own rules of behavior.

Students of Soviet-American negotiations say some difficulties stem from cultural differences. Americans, they say, raised in a mercantile tradition of trades and bargaining, see negotiation as a game of give-and-take in which both

(Continued on Page 5, Col. 1)



Viktor P. Karlov, left, welcomes Max M. Kampelman to the Soviet mission for talks. Both sides want faster movement in the new round of talks on reducing nuclear arsenals. Page 5.

INSIDE

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■ Nicaragua and Miskito Indian leaders reported negotiations broke down. Page 3.

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■ North and South Korean officials said they made progress on reuniting families and agreed to meet again on Aug. 27. Page 6.

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Marcos Disputes U.S. on Rebels

He Discounts Attacks and Puts Faith in Economic Gains

By William Branigan
Washington Post Service

MANILA — President Ferdinand E. Marcos has acknowledged alarm over the growth of Communist rebellion in the Philippines, but he vowed to stop the insurgents militarily and said he did not need help from foreign troops.

"We are also alarmed," Mr. Marcos said in an interview Wednesday when asked about U.S. concerns that the Communist insurgency is spreading.

He said he was listening to the U.S. "prognosis" on the growing strength of the Communist New People's Army. "But we do not agree with anyone that they can ever take over the country. No way. They just don't have the capability."

To counter the insurgents, Mr. Marcos said, he has released budget reserves to create "a few more battalions," but he declined to give details. In the meantime, he said, the military would concentrate on improving discipline, training and logistical support.

Mr. Marcos dodged a question on whether the United States had offered any special assistance for the counterinsurgency effort, but he ruled out any appeal for foreign troops.

"It is our policy to fight our internal wars alone," he said. "We will not allow any foreign troops to come in, unless it's an outright infiltration of massive enemy troops."

Mr. Marcos insisted that the

Philippine forces would stop the insurgents. "We'll wipe them out," he said. "Ultimately, we'll wipe out the insurgents."

He declined to predict when this might be achieved.

Mr. Marcos conceded that in recent days Communist guerrillas have been able to carry out a series of surprise attacks on government and military installations in different parts of the country, but he played them down as the work of small "liquidation squads."

His assessment of the threat appeared to differ from that of U.S. officials, who have been urging a coordinated civilian effort to back up military counterinsurgency operations and head off a possible Communist takeover.

William J. Casey, director of the Central Intelligence Agency, recently conferred here with Mr. Marcos on the insurgency, among other topics. Mr. Marcos said he had told Mr. Casey that what needed changing was the "perception of the American people," who had been fed "exaggerated stories" about the rebellion.

On another matter, Mr. Marcos said he would abide by the decision of a court trying his armed forces chief of staff and close confidant, General Fabian C. Ver, along with 24 other military men and one civilian in connection with the 1983 assassination of Benigno S. Aquino Jr., the opposition leader, as he returned from exile.

He affirmed that, despite signals of objections from Washington,

General Ver "must be reinstated" as chief of staff if he is acquitted. But he left open the prospect that the general would stay for only a short period, to save face, and then retire.

"I intend to go along with the decision of the court," Mr. Marcos said. If General Ver is found guilty, he added, "that means he goes to jail or is executed, whatever is the conviction." In the event of a guilty finding, Mr. Marcos said, "I would feel as any commander who has certain attachments but still must comply with his duty."

A key prosecution witness in the case, Rebecca Quijano, is expected to be recalled next week for cross-examination of her testimony that a military guard shot Mr. Aquino at the Manila International Airport. The assassination triggered a political and economic crisis; protesters demanded Mr. Marcos's resignation and foreign leaders suspended credit to the government.

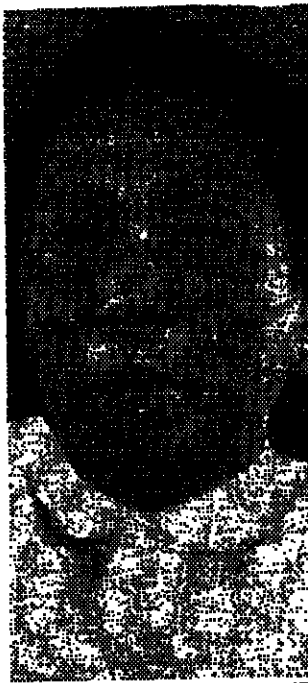
In the interview, Mr. Marcos, 67, who has been in power for 20 years, also said he would run for president again in 1987. He described other presidential aspirants as "weaklings" and "lightweights" who cannot be trusted to fend off communism, maintain his programs and make politically unpalatable decisions to promote economic recovery.

While his harshest remarks were reserved for political opposition leaders, whom he did not name, Mr. Marcos also disparaged presidential contenders in his own New Society Movement.

"There are some people who I think can be built up," he said, "but it will take me several years to build them up, to quit this tendency towards talking too much and this self-indulgent idea of self-importance."

He ruled out a presidential bid by his wife, Imelda, insisting that they had agreed she would never run for president.

Of his political foes, Mr. Marcos



Ferdinand E. Marcos

said, "I won't mention names, but I have a dossier on each and every one of them. I know what they've been doing."

Mr. Marcos tended to belittle recent guerrilla attacks.

Since the weekend, 70 persons have been reported killed in clashes in at least 10 provinces in different parts of the archipelago containing 52 million people.

Mr. Marcos described the attacks as desperate attempts to score gains before the Philippine economy improves because of a long-delayed agreement this month between the government and foreign commercial creditors to reschedule the country's debts and extend \$3.9 billion in new loans and trade credits.

Economic recovery may help the government fight the insurgents, he said, "but you have to defeat them in battle. We have to beat them in the field of their own choosing. If we don't immediately meet them on their own ground, they will make the price for society and peace and order so high that it may be too costly to contemplate."

Reagan Would Bend On Tax Plan, Aides Say

By David Hoffman
Washington Post Service

WASHINGTON — President Ronald Reagan has asserted that passage of a major U.S. tax simplification plan by Congress is "all but inevitable," and administration officials say he is ready to compromise on most aspects of his new proposal in hopes of winning approval by October.

"Even those in this town who are still reluctant are being lifted up and carried forward by the momentum of public support for a fundamental change in our tax laws," President Reagan told a group of ethnic and religious leaders at the White House on Wednesday.

The administration published details Wednesday of the Reagan proposal showing that it would reduce tax individual payments by 5.2 percent overall by 1990 while raising corporate tax payments 22.5 percent. This shift in tax burdens would come at the same time as the elimination or curtailment of many existing tax breaks in exchange for lower rates.

Mr. Reagan set the tone for what is expected to be a long lobbying effort by celebrating the tax cuts in his plan and denying the existence of tax increases. "Our proposal is not a tax increase and it will not increase the deficit," he said.

At the same time, a senior administration official said that Mr. Reagan was open to compromise with Congress on almost all elements of his proposal, including lower individual rates, but not the elimination of the deduction for state and local income taxes.

That provision, opposed by officials in high-tax states, is expected to provoke a major battle in the congressional debate. The senior official, who spoke on the condition that he not be identified, said the new revenue involved was so large — about \$40 billion by 1990 — as to make it impossible to compromise.

The official said Mr. Reagan

would consider reducing the top individual rate in his plan, 35 percent, in response to congressional pressure for still lower rates. "We'd be happy to go down further, but people will see it is exceedingly hard to do that," the official said.

Mr. Reagan proposed consolidating the existing 14 tax brackets into three brackets — 15 percent, 25 percent and 35 percent — while eliminating many tax breaks for individuals and corporations.

Treasury Secretary James A. Baker 3d said Wednesday that the administration "explored" the possibility of a lower top rate for individuals and "we explored it in quite some detail and quite some depth because we too would have preferred to see a lower top rate, but we think there are some problems with getting there."

Mr. Baker said one problem was that lower top rates "obviously benefits the highest bracket taxpayers the most" and this would "impede the chances of the proposal passing the Congress."

He said that "80 percent of all taxpayers are winners under this proposal." But the White House reported that 58.1 percent of families would get a tax decrease from Mr. Reagan's proposal, 21.2 percent no change, and 20.7 percent a tax increase.

Reagan on the Road

Mr. Reagan embarked Thursday on a series of appearances outside Washington to marshal public support for the proposed tax reforms. The Associated Press reported from Oshkosh, Wisconsin.

Mr. Reagan traveled first to Williamsburg, Virginia, and then to Oshkosh. He is to make a speech Friday in Pennsylvania.

In Wisconsin, he complained that the current system was so unfair it encouraged honest taxpayers to cheat, and declared, "It's time we rebelled."

He said that under present law, "decent citizens" are "called before the Internal Revenue Service to answer for their income and expenditures and show their papers and their proof in a drama that is as common as it is demeaning."

As Mr. Reagan spoke, three young women stripped off their T-shirts and sat bare-breasted on the shoulders of friends in a protest of his foreign policies.

The demonstrators waved signs that read "Naked Not Nuked," "Quit Staring — Join Us" and "Our Emperor Has No Clothes."

Other signs denounced U.S. policies in Central America. One said, "Impeach the Bum."

WORLD BRIEFS

Bangladesh Death Toll Rises to 6,000

GENEVA (AP) — The number of confirmed deaths from Saturday's hurricane and tidal wave in Bangladesh has risen to 6,000, the League of Red Cross and Red Crescent Societies said Thursday.

More victims are likely to be discovered when Red Cross workers visit some of the stricken islands that are still inaccessible because of high seas, according to a league statement that was based on information from Ali Quoreshi, secretary-general of the Bangladesh Red Cross.

The statement said a new storm was still about 600 miles (950 kilometers) off the coast of Bangladesh and "immature," but that it was likely to get stronger as it moves along, according to weather services in Bangladesh. Red Cross workers have buried 1,725 bodies and many dead were still floating in the flood waters, the statement said.

Non-Communist Cambodians Unify

BANGKOK (Reuters) — The two non-Communist guerrilla factions in Cambodia will form a single military command to offset Khmer Rouge dominance in the coalition of forces that is fighting the pro-Hanoi regime in Phnom Penh, guerrilla leaders said in Bangkok.

They said Wednesday night that the formation of the joint force also could encourage Hanoi to negotiate peace in Cambodia. Under the single non-Communist command, about 15,000 fighters of the Khmer People's National Liberation Front, led by Son Sann, and about 10,000 guerrillas led by the former Cambodian chief of state, Prince Norodom Sihanouk, will come under the orders of a commander in chief, Sak Sutsakarn, of the Son Sann forces.

The Khmer Rouge, said to number 35,000 men, is led by Pol Pot, the former Communist leader of Cambodia. He has been accused of being responsible for the deaths of more than two million Cambodians from 1975 until the Khmer Rouge were forced into guerrilla warfare in 1978.

Chess Match Replay to Be in Moscow

MADRID (AP) — The president of the World Chess Federation has announced that the new 24-game match for the world championship between the current champion, Anatoli Karpov, and his challenger, Gary Kasparov, will start Sept. 2 in Moscow. Marseille and London also had bid for the match.

The match between the two Soviet players was halted in February after 48 games by President Florencio Campomanes of the Philippines, who said that the players were exhausted. Mr. Campomanes said Wednesday that the two players had requested Moscow as the site of the match.

2 More Mentioned in Papal Plot Trial

ROME (Reuters) — New evidence at the trial of eight men charged with plotting to murder Pope John Paul II could lead to charges against two more suspects, according to the prosecutor, Antonio Marini.

Mr. Marini asked for an official record of the testimony given to a Rome court Wednesday by Omer Bagci, who has admitted delivering to Mehmet Ali Agca the gun that was used in the attack on the pope in St. Peter's Square on May 13, 1981. Mr. Bagci, under intense questioning by Judge Severino Santapichi, said two fellow Turks, Mehmet Isan and Erdem Eyup, met with him and Mr. Agca in Olten, Switzerland, in April 1981.

On the day after the assassination attempt, Mr. Bagci said, Mr. Eyup showed him newspaper headlines of the incident and told him it was the work of "our Agca." He said he had later concluded that "they were in the plot with Agca."

For the Record

Ireland's constitutional ban on divorce does not contravene the European Convention on Human Rights, the Strasbourg Commission of Human Rights said in a report published Thursday. The report said that the right to marry guaranteed by the convention does not include the right to divorce and marry again.

A Taiwanese military review court has upheld the life sentence imposed on Vice Admiral Wong Hsi-ling, Taiwan's former military intelligence chief, and lesser terms for two aides in the murder of Henry Lin, a Chinese-American journalist.

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Sandinist-Indian Talks Break Off in Discord

By Stephen Kinzer
New York Times Service

MANAGUA — Peace talks between government leaders and Nicaragua's Miskito Indians have collapsed after six months, according to negotiations for both sides.

The fourth round of talks, held last weekend in Bogotá, Colombia, dissolved amid rancor and assertions of insincerity and bad faith. Each side accused the other of breaking off the negotiations.

Both sides said they hoped the talks would resume despite the major differences.

"It is not exactly a breakdown, but the talks are at a dead point," said Brooklyn Rivera, who headed the Miskito delegation.

Mr. Rivera said that the Sandinist negotiating position appeared to have hardened considerably. He attributed the change to a recent decision by the ruling Sandinist Front to name Interior Minister Tomás Borge Martínez to oversee the talks and all matters relating to Indian affairs.

"This problem is the direct result of the fact that the hard-liners are now in charge of the entire region, led by Tomás Borge himself," Mr. Rivera said by telephone from San José, Costa Rica. He said that Mr. Borge had "a warlike attitude" and was "very racist and anti-Indian rights."

The Sandinist delegation was headed by Luis Carrón Cruz, a deputy interior minister. On Wednesday morning, Mr. Carrón said the appointment of Mr. Borge had not affected government policy. Mr. Rivera's assertion, he said, was "a very weak excuse" for the

"arbitrary and absurd attitude" of the Indian delegates.

Mr. Carrón, who is on the nine-member Sandinist National Directorate, suggested that four Americans who were present at the talks as advisers to the Miskitos might have wanted the talks to fail because they were connected to "some agency" of the United States government.

Mr. Rivera rejected the allegation, describing the four as lawyers and sociologists "who are there to support Indian rights and have no link at all with the American government."

The Sandinists opened negotiations with Mr. Rivera last year.

In April both sides agreed "to avoid offensive military actions" in the Atlantic coast region where anti-Sandinist guerrillas operate. There have been several clashes in the area since then, including one last week on the outskirts of the region's largest community, Bluefields.

The principal differences between the two sides appear to concern security and Indian autonomy.



PROSECUTION RESTS — Claus von Bulow reflected in a Providence, Rhode Island, courtroom as the state completed its case Wednesday that he tried to murder his wife with insulin. The defense lawyer argued that she used drugs and went into a coma "by her own hand."

Third Member of Family Is Accused Of Spying on U.S. Navy for Russians

The Associated Press

NORFOLK, Virginia — A former U.S. Navy officer who had top-secret security clearance has admitted being part of a spy ring that included his brother and nephew and has confessed that he was paid \$12,000 for confidential information going to the Soviet Union, according to the FBI.

Arthur James Walker, 50, was arrested on espionage charges at his Virginia Beach home on Wednesday night, according to the Federal Bureau of Investigation.

He appeared Thursday before U.S. Magistrate Gilbert R. Swink Jr. in Norfolk, who delayed his preliminary hearing until Monday, giving him more time to retain a lawyer, and ordered him held without bond.

John Anthony Walker Jr., 47, a retired navy communications specialist and Arthur Walker's brother, and John Walker's son, Michael, a seaman aboard the carrier Nimitz, were formally indicted on espionage charges Tuesday by a federal grand jury in Baltimore. They were arrested last week. Officials have called the case one

of the most serious breaches of navy security in history. The FBI has said it has information that John Walker has been spying for the Soviet Union for 15 to 18 years.

Jack Wagner, special agent in charge of the Norfolk FBI office, said that the investigation was not over.

"There could be other arrests," he said. "I won't give any time frame."

Arthur Walker admitted during questioning May 24 that "on a number of occasions, beginning in approximately September 1969," he had turned over navy defense plans to his brother for delivery to the Soviet Union, according to an FBI affidavit.

Arthur Walker was paid \$12,000 for the material he provided, the affidavit said.

The retired Navy lieutenant commander, whose expertise was in submarines and anti-submarine warfare, still holds a secret clearance for his work with a defense contractor, the FBI said.

The agency said that Arthur Walker worked as an engineer for the Chesapeake branch of the VSE Corp., which does business with the navy. His work at VSE involves "United States Navy carrier and ship maintenance planning," the FBI said.

Attorneys for the John Walker and Michael Walker have said that the two will plead innocent.

According to the FBI affidavit, Arthur Walker "admitted that on a number of occasions, beginning in approximately September 1969, he turned over to his brother, John Anthony Walker Jr., documents, files, photographs, booklets and defense plans relating to United States Naval forces, knowing that

John Anthony Walker Jr. intended to deliver or transmit these items to the Russians."

■ **Pentagon Briefs Lehman**

Navy Secretary John F. Lehman Jr. received a briefing at the Defense Department on Wednesday on what material the Russians are thought to have received from the Walkers and what countermeasures might be necessary, navy officials told The Washington Post.

While distressed about what information might have been compromised, navy officials said that none of the Walkers had the array of special clearances needed to gain access to information about super-sensitive U.S. anti-submarine warfare, or "black" programs.

Nevertheless, the less sensitive material thought to have been given to the Russians by the Walkers might have revealed the pattern and scale of U.S. anti-submarine operations, they said.

"Sources and methods, that's what we have to worry about right now," an intelligence official said, referring to secret techniques developed in the last 20 years to locate every submerged Soviet submarine.

These include sensitive microphones on the ocean floor and eavesdropping satellites.

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GATT Delays a Stand on Embargo of Nicaragua

By Iain Guest
International Herald Tribune

GENEVA — The General Agreement on Tariffs and Trade has put off a request by Nicaragua to condemn the Reagan administration's trade embargo as a threat

to the world trading system and free trade.

The decision Wednesday by the 88-member policy-making council of GATT to sidestep the issue came after a daylong debate on Nicaragua's complaint. GATT is the United Nations agency that negotiates trade liberalization and adjudicates trade disputes.

The council decided by consensus to ask its current chairman, Kazuo Chiba of Japan, to consult delegates on whether the complaint should be raised at future GATT meetings. Delegates predicted that the decision meant that the complaint would be dropped.

"Basically they do not like this issue," said one Western delegate, who asked not to be identified. "It's too political."

Diplomats expressed concern that the result would anger Third World nations, which look to GATT for support against larger trading blocs, and would lessen their enthusiasm to participate in the new round of trade talks tentatively agreed on at the Bonn economic summit meeting this month.

Many Third World countries have reservations about liberalizing trade in services such as banking, shipping and insurance, in which Western industrialized nations like the United States hold a decided advantage.

The trade embargo "is definitely an infringement on free trade," said Georg Reisch, Austria's chief representative at the United Nations in Geneva. "It doesn't help GATT, and it doesn't help the U.S. claim for a new round."

Nicaragua has been trying to mobilize support in the UN system since the U.S. trade embargo was imposed May 7.

Orlando Solorzano, Nicaragua's vice minister for external trade, told the GATT council that the embargo had seriously affected his country's ability to import spare parts and export its raw materials. This, he said, had hurt the agricultural and industrial sectors, which he said are 60 percent privately owned.

Peter Murphy, the U.S. trade representative in Geneva, defended the embargo by invoking Article 21 of the GATT agreement, which allows countries to impose sanctions when they consider their security to be threatened.

"I do not intend to debate the national security reasons for our action in this or any other GATT forum," Mr. Murphy said. "GATT is a trade organization and has no competence to make judgments on such matters."

The interpretation was supported by Tran Van Tinh, the delegate

from the European Commission, which acts for the 10 members of the European Community.

Several Third World delegations, which supported Nicaragua in the council, described Article 21 as a "loophole" in the GATT agreement, because it requires no justification about what constitutes a threat to security.

Study Calls Reporters a 'Necessity' Where U.S. Troops Are in Combat

New York Times Service

NEW YORK — The presence of journalists in war zones where U.S. forces are fighting is essential "not a luxury, but a necessity" — according to a report on the relationship between the military and news organizations.

The responsibility for making decisions on censorship in military actions should rest with the president and his advisers, not with the military, asserted the report, issued Tuesday by a research organization. The report was prompted by the initial exclusion of the media during the U.S. invasion of Grenada in 1983.

The report, "Battle Lines: Report of the Twentieth Century

Fund Task Force on the Military and the Media," also described a "culture gap" that threatens to turn the relationship between journalists and the military into hostility that would be damaging to both.

Young journalists and young military officers view each other with suspicion, the report concluded, and such a trend could be dangerous for the nation.

Edward N. Costikyan, a lawyer based in New York, was chairman of the task force of 13 that made the report. It consisted of former military and government officials, scholars and journalists. The Twentieth Century Fund, a foundation based in New York, has done similar reports on other public issues.

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U.S. Cable Station to Exchange Journalists, News With Soviet

The Associated Press

ATLANTA — The 24-hour Cable News Network will exchange news and journalists with the Soviet Union under a new agreement, the network's owner, Turner Broadcasting System, has announced.

"CNN becomes the first American news organization to be affiliated directly with Intersoviet," the

Eastern bloc consortium of television systems, the Atlanta-based broadcasting system announced Wednesday.

The chairman of Turner Broadcasting, Ted Turner, signed the one-year agreement in Moscow this week with Sergei G. Lapin, chairman of the Soviet State Committee for Television and Radio.

Besides news and journalists, the two television systems will be able to exchange entertainment programs, the announcement said. They also will cooperate on a six-hour documentary, "Portrait of the Soviet Union."

American television networks have had agreements for exchange of specific programming with the Soviet Union in the past, but no general arrangement.

Prague Aide to Visit China

The Associated Press

BEIJING — China has announced that Svatopluk Potak, a deputy prime minister of Czechoslovakia, will visit early in June. He will be the highest Prague official to visit Beijing since 1959.

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THE VIOLENCE IN BRUSSELS / TV Coverage Brought Soccer Riots to Millions of European Viewers

Television Networks Criticized For Covering Game After Riot

By Joseph Fitchett

International Herald Tribune

PARIS — European television networks were criticized Thursday by viewers and commentators for proceeding to broadcast the European Cup soccer final Wednesday night in Brussels despite rioting before the game in which scores of people were killed or injured.

Eurovision, the Europe-wide network, broadcast the scenes of the rioting, filmed by Belgian television, to about 400 million viewers across Western Europe and in parts of Africa. But once the game began, networks did not interrupt it to provide spot news coverage of the rescue operation and the plight of the victims. Most gave the disturbance extensive news treatment at halftime and after the game.

European television executives defended their decision, saying that they saw no reason to stop the program once European soccer officials decided to start the game. The soccer authorities said they went ahead with the game to avoid more violence in the stadium and on the streets of Brussels.

The situation reminded observers of the Munich Olympic Games in 1972 when Palestinian terrorists kidnapped and killed Israeli athletes. Television did a better job at Munich in switching its focus to the news, a French journalist said

Thursday, adding that "the organizers at least delayed events for a decent interval" after the Israeli athletes were killed.

The Games were suspended for 24 hours after the death of 17 persons—including 11 Israeli athletes—in the incident.

In another comparison, professional football games in the United States proceeded normally just two days after the assassination of President John F. Kennedy on Nov. 22, 1963.

After Wednesday's rioting, a West German network, ZDF, refused to show the game, saying that it was no longer regarded as a sports event. "Not a celebration of sport, a tragedy for sport," said an official of ZDF, West Germany's second channel.

Switzerland's national television, DRS, suspended its live coverage at half-time.

In Britain, Belgium, France, Italy and other European countries, television carried the violence and then the game.

"We hoped the Belgians would interrupt the match, but with 40 dead, it would have been worse to have nothing," said a journalist at RAI, Italy's state-run television network.

Newspaper and broadcast journalists in many European countries repeatedly questioned Thursday the decision by officials to proceed

with the game after the deaths and also the networks' policy of letting news coverage wait until after the game.

The French sports newspaper, L'Equipe, said, critically, "sports eclipsed human tragedy." France's commercial radio station, Europe 1, ran several critical commentaries.

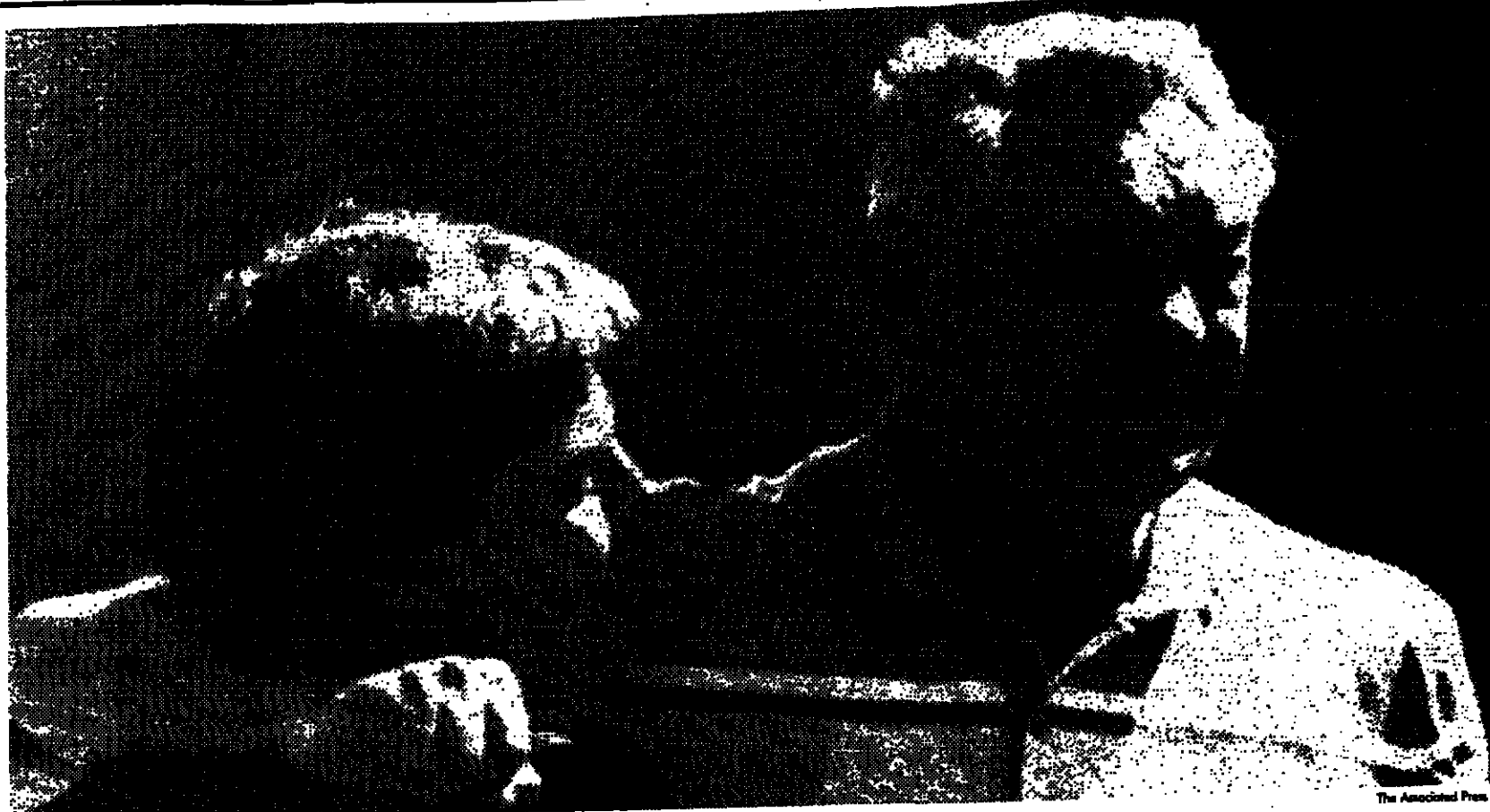
An anchorman at France's state-run TF1 network said the station received many phone calls protesting its decision to show the game rather than cancel coverage.

Serge July, editor of the Paris daily Liberation, said in an editorial Thursday, "Soccer and the need to show it completely censored coverage of a major event in our societies."

It was as if Europeans, he continued, were "afraid to see live the violence that is part of the reality of Europe."

Belgian television did all the camera work and chose the images for international transmission. Each customer nation of Eurovision had correspondents at the game to do the voice transmission.

A source at the state-owned Belgian television justified the network's coverage, saying that it showed pregame violence vividly and assumed that networks would return to the news story after the game.



Joe Fagan, right, the manager of Liverpool's soccer team, with his assistant, Roy Evans, on their return from the Brussels match.

U.K. to Compensate Soccer Victims

(Continued from Page 1)

British clubs do not take measures to prevent this sort of thing. I will not allow — and I will ask the government to approve this — British teams to participate in sporting events on Belgian soil."

The incident, he said, raised the "fundamental question" of whether a country can be expected to mount vast and intrusive security operations for the sake of what is supposed to be a recreational event.

"We are not going to transform Belgium into a police state, even if

only for an afternoon," Mr. Nothomb said.

The Belgian decision to ban British teams seemed to reflect a mood of shock and consternation in this country and elsewhere in Europe after Wednesday's disaster.

The scenes of carnage, rebroadcast on television news programs Thursday, contrasted oddly with the festive air that prevailed in the stadium when the game, delayed for 90 minutes by the violence, finally got under way with the Italian team winning 1-0.

The Dutch newspaper De Telegraaf said, "Watching the match

after so many deaths was comparable to enjoying a meal in a restaurant after somebody had just died."

Officials of the European Union of Football Associations, which governs international soccer games, said that the decision to play the game was made out of the fear that canceling it might have led to even greater violence. They said that Belgian security officials agreed that to allow the game to go on provided time to arrange for better control of crowds as they left the stadium.

Meanwhile, Belgian officials, defending the precautions taken at the game, said that they had been unable to guard against several unforeseen circumstances.

At a press conference, Mr. Nothomb said that there were about 1,000 national and local police on the scene before the game started, including 120 inside the stadium. He claimed that that was more than at comparable games in the past.

"The unhappy and fatal element in this was that the violence came about an hour before the match started, that is before the security arrangements made for the match had been put into place," Mr. Nothomb said.

Seating Plan Went Awry

(Continued from Page 1)

tempted to charge the British fans but retreated under a hail of missiles and other objects.

The Liverpool supporters finally broke through the fence and surged into the section occupied by the Italians, creating panic as people tried to escape the area.

Many of the Italian spectators were crushed against a concrete wall on the other side of the section. Part of the wall finally collapsed under the pressure, and des-

perate fans pushed down a fence and barrier at the base of the stands. Bodies tumbled down the stands, piling up at the base where many of the victims suffocated or were trampled.

Jacques Georges, the president of the European soccer federation that governs the sport, said, "The police force was not very well used. They were positioned outside the stadium, and not in the stadium where they would have been more useful."



Policemen and rescue workers search amid bodies in the stands for possible survivors.

Fans' Violence Linked To Cycle of Aggression

By Richard D. Lyons

New York Times Service

NEW YORK — An American expert on sports-related violence said Wednesday that the riot by soccer fans in Brussels was the product of a "vicious cycle of aggressive events that perpetuate themselves."

Dr. Jeffrey H. Goldstein, a professor of psychology at Temple University in Philadelphia, said that outbreaks of aggression such as that in Brussels on Wednesday involved events that occurred much earlier.

"The people watching an aggressive sport are likely to become more aggressive themselves," Mr. Goldstein said, "thus the sequence of events tends to perpetuate itself — the fans themselves feel aggressive, they sense or see aggression, and then they act aggressively."

Mr. Goldstein, who has edited a book on the subject, said in a telephone interview that "once a chain of aggressive events like this starts it is very hard to stop."

He said that factors contributing to such riots, which have taken place lately in Europe and China, include high unemployment, especially among working-class youths.

"But social class or economic considerations are not the main roots — it's nationalism, pure and simple," Mr. Goldstein continued.

"In an era of instant communications, people increasingly are making nationalist issues of international sporting events, and the

people are abetted by the actions of the press, sports officials, politicians and the athletes themselves."

"International sporting events have become tests of the rightness or wrongness of ideology," he said, "and everyone seems to be contributing to the notion that it's us against them."

The theme was echoed by Dr. Thomas A. Tutko, a professor of psychology at San Jose State University in San Jose, California, who has studied the behavior of fans.

"It's certainly good that we don't have more wars," he said, "but in their relative absence it has been the athletes who have taken the identities of warriors, especially so at international sports events."

"I see a progression of events in the international sports world that is getting worse, which, at its center, involves the over-identification of ways of life with athletes," Mr. Tutko continued. "Thus the bottom line is the final score, and a loss leads to great embarrassment — and fights in the stands."

Incidents like those in Brussels "lead to great national and international embarrassment," he said. "But the riots go beyond soccer in that many fans sense that coming under challenge — and perhaps defeat — is their whole concept of what they stand for."

Abetting this underlying notion "is the problem that most of us don't have a true sense of worthlessness of who and what we are," Mr. Tutko said.

Fatal Violence at Soccer Stadiums — a Longtime Worldwide Problem

The Associated Press

LONDON — Here is a list of some of the major violent or fatal incidents at soccer matches in recent years, before the riot Wednesday in Brussels:

1985
May 27 — Eight persons were killed and more than 50 were injured in a stampede of fans trying to get into a Mexico City stadium for a championship game.

May 11 — A 15-year-old fan was killed and 57 others were injured when a wall collapsed at a domestic league game in Birmingham, England.

May 11 — Although no fan violence was involved, 53 persons died when a fire engulfed the main stand during a match at Bradford City's soccer stadium in northern England.
May 10 — At least 10 foreigners and

policemen were injured in riots in Beijing after China had been eliminated from the World Cup by Hong Kong.

March 15 — Forty-seven persons were injured in fights during a match at Luton, 25 miles (40 kilometers) north of London, started by fans of the visiting team, Millwall.

March 5 — Twenty-three persons were injured and 100 arrested during fights after a domestic league game at Chelsea, in London.

1984
Sept. 30 — A man who waved the opposing team's flag was fatally stabbed in Milan, Italy, and dozens of other Italian soccer fans were injured in rioting in several Italian cities following weekend games.

May 8 — A fan of Tottenham Hotspur, an English team, was shot to death and 200

of the team's supporters were arrested in a rampage through the streets of Brussels before and after a match against Anderlecht, a Belgian team.

1982
Nov. 18 — Twenty-four persons died and more than 200 were injured in a stampede on an exit ramp in Cali, Colombia, after a match between Deportivo Cali and Club America. The stampede started when fans on top of a grandstand began urinating and throwing firecrackers on those below.

1980
Aug. 17 — Riots during a match in Calcutta left 12 persons dead and more than 100 injured.

1971
Jan. 2 — Sixty-six persons were killed at

a local match between Glasgow Rangers and Celtic in Glasgow. A late goal by the Rangers caused spectators, leaving by steep-terraced exits, to turn around and they were crushed by spectators trying to leave.

1969
June 8 — A disputed match between El Salvador and Honduras led to the "Soccer War" in which the two countries suffered thousands of casualties. The brief war was provoked by Honduras' decision to expel many Salvadorans who had settled in Honduras.

1964
May 24 — Nearly 300 people were killed and 500 injured after Argentina had beaten Peru on a last-minute goal in an Olympic qualifying match in Lima.

For Winners, Victory Is a Heartache

Compiled by Our Staff From Dispatches

BRUSSELS — "I'm a sad man and my heart aches," Michel Platini said after the European Cup soccer final in which he scored the only goal on a penalty kick to beat Liverpool.

He spoke while television throughout Italy showed members of the Juventus team of Turin run-

ning around the field to celebrate the 1-0 victory over Liverpool. On the bottom of the picture, special Rome phone numbers flashed where Italians could call to find out the fate of relatives who were at the game and might have been among those killed or injured in rioting.

"We were informed of the tragic events that happened, and honest-

ly, I thought we would not play," continued Mr. Platini, the French star of Juventus.

"We went into the game, gradually forgetting but being called back to reality minutes after the end of the game," he said. "This evening I'm a sad man and my heart aches."

Gianpiero Boniperti, the chairman of Juventus, added: "We knew there were dead and injured. It is a tragedy and you will understand I cannot rejoice at my team's victory."

Other players voiced similar thoughts. Antonio Cabrini, who attempted to calm Italian fans before the game, said: "We felt very tense after what had happened. This success we dedicate to the dead fans."

Bruce Grobelaar, Liverpool's goalkeeper, added: "What can I say after such a tragedy? For me, soccer is life, not death. Before the game, we knew exactly what happened. I was against playing but we are pros and have to go on under any circumstance." (AP, UPI)

Russian Deplores Violence

Reuters

MOSCOW — Vyacheslav Kolosov, the head of the Soviet Football Federation, said Thursday in condemning the violence at the European Cup final in Brussels: "Our fans are brought up to treat a game of football as they would the theater. In the West it seems as if they are going into battle."



Steps of the stadium littered with debris after the riot.

One Englishman's Reaction: Shame at the Inevitable

International Herald Tribune

LONDON — What happened in the Heysel Stadium in Brussels on Wednesday has been coming Europe's way for a long, long time, longer than the lifetimes of some of those who were trampled to death.

It is a consequence of ignoring the blatant buildup toward soccer support as ritualized violence, a warped game of urban terrorism that Britain began exporting 15 years ago. We may feel revulsion but hardly surprise.

Less than a month ago, on the day that a fire killed 53 spectators at a Bradford, England, soccer game, a smaller-scale Brussels was enacted at Birmingham in the English Midlands. As in Brussels, violence was expected and massive security was in place. Also, as in Brussels, when Leeds United hooligans charged, a wall collapsed beneath the weight of panicking fans.

A student nurse, clearly identified by her St. John Ambulance jacket, knelt to comfort a dying young man. As she did so, a thug in hob-nailed boots kicked her unconscious.

My shame as an Englishman reporting that became compounded 38 times over while watching television Wednesday night. It was made worse by the appearance of Britain's minister for sport, Neil Macfarlane, who attempted to blame policing arrangements and inadequate segregation for what the British had done in Belgium. Here, with death before our eyes, a government spokes-

man was attempting to justify his efforts despite the continued growth of the problem. He said that he became concerned last week about ticket arrangements and segregation of the rival teams' supporters and had cabled Brussels to tell them so.

This minister joined the cabinet four years ago and dismissed hooliganism as a figment of the imagination of drunken journalists. This same man has repeatedly responded to suggestions that the passports of persistent offenders be withdrawn by saying that in a democracy it is

ROB HUGHES

the inalienable right of British subjects to travel abroad. When, over the past few months, outbreaks of violence at soccer matches in England became such that even the prime minister, elected on a mandate of law enforcement, took personal responsibility, the main effect has been to pass the buck to sporting authorities.

Nevertheless, it is clear that the sickness around the sport is no different from the behavior that erupted on the picket lines of the recent coal strike.

Neither does it do much good to point to Latin American horrors that predate British soccer hooliganism, nor even the astonishing riot in Beijing a couple of weeks ago,

when China was eliminated from the World Cup by Hong Kong.

Universal as it may be, the British hold a special place in hooliganism. A few examples:

- 1972 — Glasgow Rangers suspended from Europe for two years after fans rioted in Barcelona.
- 1974 — Tottenham barred after a riot in Rotterdam.
- 1975 — Leeds United banned after a riot in Paris.
- 1977 — Manchester United banned from Europe after trouble in St-Etienne.

- 1980 — English fans were tear-gassed by police after rioting in Turin, the latest of a series of significant clashes between British and Italian supporters.

And so it goes on. English hooliganism left its ugly imprint on cities throughout Europe, and last year, in Brussels, a Tottenham fan was shot and killed by a barman.

Now, while everyone sees England's elimination from European soccer competition as inevitable, we are left to reflect on the Liverpool fans who, out of the stadium of death, commented: "It's not the fans, it's the officials to blame because you should never allow both sets of supporters in the same area."

It was H.G. Wells who wrote: "Human history becomes more and more a race between education and catastrophe."

U.S., Soviet Urge Speed At Geneva Arms Talks

United Press International
GENEVA — U.S. and Soviet negotiators resumed talks on reducing their nuclear arsenals Thursday, with both sides calling for faster movement.

But neither side, returning to Geneva after a six-week recess, offered any evident change in position since the first inconclusive round that was held from March 12 to April 23.

U.S. diplomats said that the Russians appeared even more intransigent and rejected even a discussion of cuts in nuclear arms unless the United States research on its Strategic Defense Initiative, a proposal for space-based defense against missiles.

The second round began with a full plenary meeting lasting one hour and 50 minutes at the Soviet mission.

"I hope that such preparatory work will enable us to move faster forward here," the Soviet chief delegate, Viktor P. Karpov, said to the U.S. delegation leader, Max M. Kampelman, as they took their seats.

"Yes," Mr. Kampelman replied, "we'll make every effort to do that and let's hope this session will be a constructive one."

Mr. Kampelman said Wednesday on his return to Geneva that he had been "somewhat disappointed" over the slow pace of the first round and hoped to "enliven and quicken" the second round of talks, which are likely to end on or around July 16.

Both sides said this will give them two weeks to assess progress before foreign ministers from the East and the West meet on July 31 in Helsinki for the 10th anniversary of the signing of the Final Act at the Helsinki Conference on European Security.



GEMAYEL IN DAMASCUS — President Amin Gemayel of Lebanon, left, held a second day of talks Thursday in Damascus with President Hafez al-Assad of Syria. Mr. Gemayel said later that only political and security reforms could end the Lebanese civil war and that Syrian troops could help carry them out, along with the Lebanese Army.

OECD Warns on Lagging Growth in U.S., Europe

(Continued from Page 1)
sentiment, 11 percent of the work force, the highest rate in more than half a century.

Unemployment rates in the United States and Japan, however, will remain stable during the next 18 months, the OECD predicted. Currently, U.S. unemployment is about 7.25 percent of the labor force and Japan's is 2.5 percent.

But underlying conditions in Europe, including lower inflation and budget deficits, as well as higher profits and investment levels, could lead to what the OECD called an easing of demand policies "on the fiscal or on the monetary side."

The report also reiterated its conclusion of last December that the Reagan administration's predictions about the U.S. economy were too optimistic, which implied another bleak warning: A slackening in European export growth will most likely accompany the projected U.S. slowdown. The implication for governments, the OECD said, is that "European domestic demand growth would need to be faster merely in order to prevent a GNP

slowdown from its present rate."

The OECD predicted that inflation-adjusted annual growth in Western Europe would remain at its current rate of about 2.25 percent until the end of 1986. That was "substantially lower" than the average GNP growth of about 2.75 percent predicted for the OECD overall during the same period, the report said.

In 1985, the U.S. gross national product, which is the total value of

a nation's output of goods and services, is expected to grow at about 3.25 percent, down from 6.8 percent in 1984, the OECD said. GNP growth will decline to a 2.75 percent annual rate in the first half of 1986 and 2.5 percent in the second half, the agency predicted.

Meanwhile, Japan should intensify its efforts to import more from industrialized and less-developed countries, and adopt measures that would provide a "more attractive"

U.S. Cites 'Difficulties' With Hussein Proposal

(Continued from Page 1)
territory captured from Jordan, Egypt and Syria. It also recognizes Israel's right to exist. Resolution 338, adopted after the 1973 war, calls for a regional cease-fire, peace negotiations and the implementation of Resolution 242.

Hussein's proposal was described initially by U.S. officials as significant, although they hesitated to accept the PLO's endorsement of the UN resolutions indirectly. A senior official said the United States would need an "unequivocal" statement from the PLO itself before acting on it.

In Tunis, a prominent PLO leader said Thursday that the organization still insists on recognition of

Palestinian self-determination as a condition for a step toward Middle East peace talks.

Saleh Khalaf, one of the most influential PLO leaders, said that the group had not given up its demand for recognition of a Palestinian right to a homeland before accepting UN Resolutions 242 and 338.

Hussein, meanwhile, outlined his call for peace talks with Israel at a breakfast with congressional leaders on Thursday.

"What the king said here was a very forward, certainly more optimistic statement than I've heard in years and years and years about the possibilities," said Representative Dante B. Fascell, a Florida Democrat and chairman of the House Foreign Affairs Committee.

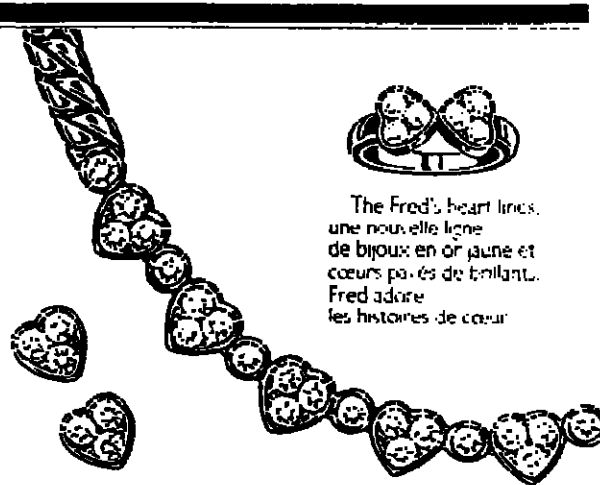
In Jerusalem, Prime Minister Shimon Peres of Israel said Thursday that Hussein's call for an international conference was an attempt to avoid direct talks with Israel.

"I think this whole international conference is an effort to circumvent the need for direct negotiations," Mr. Peres said.

■ **Taba Talks Continue**

Egypt and Israel ended another round of talks Thursday on a disputed strip of Sinai coast without agreement on an Egyptian proposal to submit their respective claims to international arbitration, Reuters reported from Cairo.

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In Russia, Negotiating Means, Be Firm and Win

(Continued from Page 1)
sides make concessions and shake hands on a compromise.

For the Russians, negotiation is a dialectic with moral overtones in which the right side wins and the winner takes all. Broadly speaking, Russian negotiators seek not compromise but victory.

"It is the old saw about 'what's mine is mine and what's yours is negotiable,'" said an American businessman. "They take, they take, whatever you are willing to give; they don't trade."

Thus there was no Soviet trade-off when President Carter slowed development of the MX missile system and halted production of the B-1 bomber. When Senator John G. Tower, who is now a negotiator in Geneva, asked a Soviet official what Moscow planned to give up in return, the Russian replied: "Senator, you misunderstand the Soviets. We are not pacifists, nor are we philanthropists."

Talks often bog down in a clash between the Soviet approach, which seeks to start with broad declarations of principle, and the American approach, which tends to break down subjects and start work on details.

The Americans, says William L. Ury, a Harvard expert on negotiations, are like an eager suitor who wants his fiancée to join him in picking out furniture. The Russians

want assurances that their suitor's intentions are honorable.

This difference in approach became the first stumbling block in the first negotiation between the Soviet and United States governments, over the terms of recognition of the Soviet Union in 1933.

The Soviet negotiator, Foreign Commissioner Maxim Litvinov, insisted on recognition first, with details to follow. The Americans first wanted a settlement of a \$187-million debt stemming mostly from the nationalization of American-owned businesses.

The outcome seemed to fore-shadow negotiations to come. In a meeting with President Franklin D. Roosevelt, Litvinov reached what the Americans considered a compromise: an agreement that recognition would be granted simultaneously with a Soviet promise to negotiate the debt in the future.

An agreement in principle with the Russians "means exactly nothing," said Major General John R. Deane, who negotiated the Lend-Lease accord during World War II. The Russians have their share of complaints about the United States. They criticize what they call the "zigzags" of American policy from one presidential administration to the next. And they voice annoyance at having to negotiate with a government whose signature can be nullified by the Senate.



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French TV Bars Show On Episode In Resistance

PARIS — The French television authorities have banned a program about a controversial episode of French Resistance during World War II.

The Audiovisual High Authority, an independent body which oversees the three state-run television channels, ordered the program dropped on Wednesday following a protest by the French Communist Party, the Antenne 2 network announced.

The authority said the decision was made after consultations with a group of former Resistance fighters and a historian.

Entitled "Retired Terrorists," the program dealt with the case of the Manouchian group, which consisted of foreigners fighting Nazi occupation forces. Twenty-three of them were executed by the Germans outside Paris in 1944.

Journalists who have seen the script said it implied that the underground Communist Party had betrayed Misak Manouchian, the Armenian leader of the group and his followers, most of whom were Jews.

The journalists also said that the script explained that the French Communists, knowing the war was nearing an end, wanted to make as much political capital as possible out of the Resistance struggle and to remove any appearance of outside assistance.

A week ago Albert Ouzonias, a Communist Party historian, wrote a letter to the chairman of Antenne 2, Jean-Claude Héberlé, threatening a libel suit if the program was broadcast as scheduled Sunday.

Roy Plomley, 71, Of the BBC, Dies

LONDON — Roy Plomley, 71, the veteran BBC broadcaster who devised and presented the world's longest-running radio series, "Desert Island Discs," died Tuesday of a heart attack.

Mr. Plomley's simple formula involved asking a weekly guest celebrity to choose the eight records he or she would take with them as a castaway on a desert island. The show began in 1942 for what was planned as a limited series. It proved so popular that the British Broadcasting Corp. kept it on. The most recent series ended on May 11. Mr. Plomley's 1,791 guests included royalty, politicians and entertainers.

He invited guests to talk about their lives and play their eight records.



PUNJAB MEETING — The militant Sikh leader Joginder Singh, center, confers with aides in the Golden Temple in Amritsar, India. The authorities have increased security measures throughout Punjab as the June 5 anniversary of last year's storming of the temple by Indian troops nears. At least 600 Sikhs were killed in that troop assault.

Papandreou Opponent Says Greeks, 'Deeply Worried,' Yearn for Change

By Henry Kamm

New York Times Service

ATHENS — The opposition candidate in Greece's national elections on Sunday asserted Wednesday night that the Greek people were yearning for an alternative to the government of Prime Minister Andreas Papandreou, whose policies, he said, had left them "deeply worried."

"They are oppressed by a government that does not respect democratic rights," said Constantine Mitsotakis, the leader of the New Democracy Party.

In a race that is considered close, Mr. Mitsotakis said that the main issues were a stagnant economy, rising unemployment, inflation and heavy taxes. His party has pledged to cure these ills, largely by encouraging the private sector and favorable conditions for investment.

Mr. Mitsotakis, speaking in an interview at his party headquarters, described Greece under Mr. Papandreou as a country of two classes of people — those who support the Socialists and are given advantages in all areas, and those who do not and are discriminated against wherever they deal with the government.

As under earlier governments, Greeks often say that in employment, education, business and most other areas of life, the "ins" punish the "outs." Impartial observers now and in the past have found merit in the accusations. Mr. Papandreou heads Greece's first Socialist government.

Mr. Mitsotakis, who was foreign minister before the Socialists were elected in 1981, asserted that in foreign affairs Mr. Papandreou posed a danger to Greece and its

allies. He said that this was particularly the case because the prime minister last March prevented reelection to the presidency of Constantine Caramanlis, founder of the New Democracy Party.

"Caramanlis as president would not have accepted any major change in Greece's orientation," Mr. Mitsotakis said. "Now Papandreou can do anything, without even telling the people. Now I can guarantee nothing. We have everything to fear if he remains in power."

Asked whether he meant a reorientation of Greece from the West toward the Soviet Union, Mr. Mitsotakis declined to specify but said, "One can exclude no eventuality."

Mr. Mitsotakis, who is a strong supporter of Greece's role in the North Atlantic Treaty Organization and the European Community, criticized his opponent's attitude. "He does not act like an ally," he said. "He does not feel committed by Greek membership in the alliance."

The New Democracy leader said he was certain that Mr. Papandreou, despite his frequent anti-United States and anti-Western statements, had given private assurances to the United States. But referring to the possibility of a Papandreou government without Mr. Caramanlis, who had some restraining powers, he added, "Whether you can attach much value to his promises I have to leave to the Americans."

Mr. Papandreou has not made Greek membership in the Western groupings an issue in the campaign. In an interview Monday, he said that these relations would enter "calmer seas" if he was re-elected.

Mr. Mitsotakis warned that Mr. Papandreou's refusal to negotiate

with Turkey until Turkish troops withdrew from northern Cyprus created danger. The Socialists, in the only reference to foreign policy in a campaign focused on domestic matters, have criticized Mr. Mitsotakis sharply for offering to confer immediately with the Ankara government.

"Papandreou's policy of not talking with the Turks," Mr. Mitsotakis said, "makes the Turks look like the peace-loving people and the Greeks look bad."

Mr. Mitsotakis asserted that the prime minister consistently had violated democratic standards by rarely attending parliamentary sessions and by "totalitarian rule over radio and television." Broadcasting is fully under government control.

Speaking of Dimitrios Maroudas, who is undersecretary for information in the charge of broadcasting, Mr. Mitsotakis asked, "What could Goebbels do more than Maroudas has done?"

He said he made the comparison to Josef Goebbels, Hitler's minister of propaganda, because he considered the Socialists' control over radio and television "fascist." He added, "Maroudas is a pseudonym for Papandreou."

Mr. Mitsotakis also blamed Mr. Papandreou personally for charges published in the press — and alluded to by Socialist campaign speakers, including Mr. Papandreou — that during the German occupation, Mr. Mitsotakis collaborated with the enemy.

In fact, he was twice sentenced to death by the Germans for resistance activities.

The candidate noted that it was customary for candidates to express confidence in victory, and added: "But I believe it."

Koreas Cite Progress, Plan New Talks

By Clyde Haberman

New York Times Service

SEOUL — North and South Korean officials formally closed their Red Cross-sponsored conferences on Thursday, saying they made progress. They agreed to meet again on Aug. 27 in the North Korean capital of Pyongyang.

In terms of substance, a decision to continue talking was the most the two sides accomplished during two days of negotiations on proposals to reunite millions of families separated since the partition of

the Korean peninsula four decades ago.

But they also agreed "in principle" on other matters, including a North Korean demand for "free travel" across the demilitarized zone by people searching for long-lost relatives.

Red Cross negotiators held behind-the-scenes "working level" discussions on the possibility of a mutual exchange of visitors and performing troupes near Aug. 15, the 40th anniversary of the liberation of Korea from Japanese colonial rule.

While "free travel" was an extremely ill-defined and perhaps unattainable goal, the mere fact that the two Koreas had agreed on anything was regarded as an achievement.

"We have been divided for 40 years, but now we are continuing the dialogue," Lee Young Dok, the chief South Korean delegate, said Wednesday after more than two hours of talks. "In that sense, I feel satisfied."

His North Korean counterpart, Li Chong Ryul, said: "Our dialogue has reopened. No concrete, smooth results have been made, but we have come to know each other's situation better."

The North Korean delegation — 34 officials and 50 people said to be journalists — formed the largest contingent to come to Seoul from Pyongyang since invading soldiers swept through the South at the start of the Korean War in 1950.

These negotiations were registered officially as the eighth round of "full dress" talks on reunifying

separate families. But they were the first to be held since similar Red Cross discussions collapsed 12 years ago, and they continued recent attempts by the Koreans to sustain discussions on the possibilities for trade and reuniting families.

Members of the South Korean team noted that the North Koreans' speeches in the last few days had differed from those in the 1970s, when Red Cross delegates extolled Kim Il Sung, the North's leader, and his philosophy of self-reliance. A South Korean official said that North Koreans, in conversations, had described their country as hoping for a "new start."

Nevertheless, South Korean delegates remain suspicious of Northern motives, saying in private that they did not believe the other side was "really interested" in a concept such as "free travel" except perhaps as a propaganda slogan. A South Korean acknowledged, however, that the Seoul government had agreed to talk in part because "it would look bad" to do otherwise.

Mr. Lee expressed concern that the North "might seek to turn the debate into an examination of legal position and the social atmosphere" in South Korea — apparently a reference to political developments such as anti-government student protests.

What the Northerners thought about the South's motives was impossible to tell. Their comments to South Korean reporters were mostly elliptical, and they either deflected or ignored questions from non-Korean correspondents.

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Dartmoor, looking toward Haytor from Boverman's Nose.

Britain on Two Feet a Day

by John Hillaby

SOMEWHERE up in the high forest between England and Wales I had been walking for hours and hours and, not for the first time that day, I lost my way. Normally this is not a matter for serious concern. But on that occasion it was. That long walk from Land's End in Cornwall to John o' Groat's in outermost Scotland was the first I had ever attempted on my own, a journey of more than a thousand miles.

If I could get lost among the rolling hills of Radnorshire in Wales, what chance had a novice at the long-distance business of getting through the gaunt mountains of Gaelic? I felt I could be cheered up by nothing less than a miracle. It came about in a small whitewashed pub where I had a memorable night: Welsh lamb, mint sauce and fresh peas and potatoes for supper.

Afterward, with maps spread across the bar, I saw where I had gone wrong, and why. And in the course of sketching out the route ahead I realized with startling clarity why walking in Britain is so pleasurable and varied. First, through fortunate accident, features of all the dozen or so of the world's geologic systems are represented. This makes for the greatest variety show on Earth within one relatively small island. The vistas ahead are constantly changing. Second, in terms of human exertion, Britain is nicely graduated from the easy going south — where most people enter the country — to the arduous north. It might have been tailored for northbound walkers.

From the south, Britain rises in a series of steps. The Welsh border country, for example, is higher than the hills of Cornwall, north Devon and Somerset; the Peak District of Derbyshire is higher still but less

strenuous by far than the broken jaws of the Pennines; and the Western Highlands of Scotland make all that has gone before seem puny.

Before touching on the ecstasies of ambulatory overdrive, a word must be said about where my wife and I come from, since it helps explain why we walk.

There is a notion that people are like salmon, which, after much journeying in the sea of the world, return eventually to the streams of their youth. For this reason we bought a cottage on the moors of North Yorkshire, where the sense of space is tremendous and the views are (almost) forever. The immediate foreground is dominated by the Rosedale escarpment, the central portion of an upland footpath that extends from the western rim of the moors to the towering cliffs of the North Sea.

Because this short (50-mile, 80-kilometer) trail has become one of the most popular in the north of England, it suffers a great deal from human erosion. Certain sections have been fenced off and bypassed to enable the moor's fragile skin of peat and heather to recover. From simple observation it looks as if most of the damage is caused by heavy-footed plodders who tend to walk line astern with their heads down.

Long-distance walkers can be roughly classified as plodders or light-footers. The plodders, I think, are lightly streaked with masochism. They crash through mud and streamlets as if unaware of what lies underfoot. The light-footers pick their way around minor obstacles and reach their destination with their footwear fairly clean. The difference is largely a matter of balance.

The well-coordinated walker puts to good use some of the dramatic arrogance of the trained actor who, though tired after an exacting performance, sweeps forward to the parted curtains for his final bow as if he were

treading on air. Once they get into the swing of things, walkers who know what they are doing adopt a similar gait. By leaning forward slightly, almost off-balance, they employ gravity to the point where, with one resolute step after another, the whole body teeters on the edge of catastrophe. This is what I call ambulatory overdrive. The walker is partly propelled.

As a regional president of the Ramblers Association I keep an eye on the trails I trod on my first walk across Britain, and in between stammer stuff in central Europe, my wife and I visit sections of them each year. Many of the paths are in better shape than they were 20 years ago. This is largely due to the legal enforcement of "public rights of way" (footpaths) by various local bodies prodded into action by our association, the Countryside Commission and boards of the national parks.

By far the longest, easiest and in a few places most spectacular trail in Britain is the relatively new Southwest Peninsula Coast Path, about 500 miles. It extends from Poole Harbour in Dorset (near Bournemouth) to Minehead in Somerset by way of the Lizard, Penzance and Land's End in Cornwall. The soul-cleansing winds whistle in from the steep Atlantic stream. They shriek; they rattle the ears; they are a fitting background noise to the gaunt megalithic graves so common thereabouts especially in the vicinity of Botallack, Carn Kenidjack, Woon Gumpus and Zennor near St Ives.

On that first solo venture to northern Scotland I left the Cornish coast for Bodmin Moor and Dartmoor. I would not wish that eerie exercise through bogs and mists on a dog, not even the Hound of Baskervilles. Last year we found the coast trail through Ilfracombe and the deer herds of Exmoor

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Literary Murder at 5¢ a Word: Pitfalls for Translators

by Josef Skvorecky

A TRANSLATOR has been commissioned at 5 cents a word to render a 500-page Czech novel into English. He has three months to perform his task. The author is hot — the winner of a prestigious literary prize or a recently jailed dissident.

Right on page 1, our speedy translator comes across the following line: "Sam vsechno vyzval, a ted jsm v rezi." The translator looks up the idioms in a Czech dictionary. There he finds: "Vyzvat [informal] to divulge secret information." By v rezi: [informal] to be in a difficult situation. The idiomatic translation would be "Sam has spilled the beans, and now we are in a jam." But, working at 5 cents a word and with the deadline looming, the translator does not search his memory for adequate phrases in English. He types, "Sam has divulged our secret, and now we are in a difficult situation."

Eventually he meets his deadline and comes up with a translation that contains no mistakes, for he is a conscientious worker. He also has a sense of English style, so his editor, ignorant of the language of the original text, assumes him that his translation "reads well." Nobody in the 500 pages spills any beans; nobody pulls anybody's leg. The smooth text resembles a Van Gogh sunflower reproduced in black and white.

Certainly, something of the power of the original reaches the foreign reader — sometimes quite a lot. Though it is primarily an art of words, literature does not entirely rely on the *mot juste*. A Theodore Dreiser is therefore not as endangered by translators as an Emily Dickinson. It is when the right word becomes the sine qua non of success — as in subtle lyric poetry — that our fast-working, unidiomatic and underpaid translator turns into a literary murderer.

Muddled stylists, raconteurs who suffer from logorrhea and whose impact depends mainly on their vision, on some burning passion that shines through the convoluted verbiage, have little to fear from translators. Occasionally a good stylist even improves on a visionary or a writer with too little patience to fine-tune his words. The same sometimes happens with ancient writers. Chaucer in his original Middle English is inaccessible to the average English reader, but he changes into a profoundly readable entertainer in a good modern rendition into a foreign language. Dickens, to judge from the complaints of some of my students, has lost something of his magic because of his 19th-century diction. But a good contemporary translation of "Little Dorrit" or "David Copperfield" preserves Dickens's freshness.

Not much harm is done to writers like Franz Kafka, whose verbal art depended on aspects of German other than idiomatic us-

age. His was the language of the Prague Germans, cut off from the German folk, or people, and the people are the main, sometimes the only, source of verbal inventiveness in a language. Writers like Milan Kundera, working in the reflective, not the mimetic, tradition of literature, also fare much better at the hands of their translators than, say, Mark Twain.

That great improviser seems to have been aware of the dangers of transmitting a story into another tongue. In two essays, his "Private History of the Jumping Frog Story" and "The Jumping Frog," he complained

English by one of the many German veterans of the Civil War. Perhaps he would have become the star author of the old August Geringer Bohemian Publishing House in Chicago, although that would have brought no money or national fame. He would have ended his days as a poor but respected raconteur, celebrated for his tales in all the Czech pubs in the Windy City.

Such are the world's injustices. If you are a writer, it is unjust to be born into a nation whose language covers a piece of land slightly smaller than South Carolina. Your work will suffer in its passage into more widespread languages.

Not to be one-sided, I should say there is harm being done to the work of American writers too — and unlike many writers in minor languages, they usually have no way of controlling their translators. Endora Welty would hardly be pleased to learn that, in the Czech rendition of her story "Powerhouse," the percussionist of the title character's jazz band underlines an exclamation by a "crash of the dulcimer." The original word is "cymbal," which is homonymous with the Czech word meaning "dulcimer."

Such primitive errors are the daily bread of editors entrusted with translations, and pretty basic stuff that can be easily corrected. They do not really impair the qualities of a translation that matter more in the last analysis than the precise meaning of every detail. The mismanagement of syntax and style, wordplay, onomatopoeia and the finer nuances of word order can completely change the import of a sentence in some languages. The richness of an author's vocabulary may be reduced to unintentional Hemingwayesque.

Every language is rich, but rich in its own way. When Robert Jordan says, "I love thee and I love thy name, Maria," to the Spanish girl in "For Whom the Bell Tolls," the sentence reverberates. I suppose, with the beauties of the King James Bible — in an English ear. This cannot be adequately transposed into Czech, for Czech has never lost the second person singular pronoun.

Then too, Roberto may like the girl's name, but in English it has the virtue of an incredible poverty of forms. How many recognizable diminutives does it have? Endearing variations? Mary, Marie, Molly — anything else? The following, by contrast, is a partial list of words, all denoting "Mary," that are at the disposal of a Czech lover of a girl by that name: Marie, Marienka, Mollinka, Marinka, Maruska, Maruška, Maruška, Maruška. Each expresses a different stage of intimacy, a different mood. If you hope to have your novel translated into English, never name your heroine Mary, as I did in "The Engineer of Human Souls."

I suppose I should add that many of the linguistic problems that trouble American feminists are of no concern to Czech women. No neologisms like "chairperson" or "s/he" —

Continued on page 9

Braudel Finally Joins Ranks of 'Immortals'

by Joseph Fitchett

PARIS — The French historian Fernand Braudel honored the Académie Française on Thursday by finally joining it after a decade of ignoring hints that he should apply for membership. Braudel, 82, widely considered the most influential historian since Arnold Toynbee, is the pre-eminent French cultural celebrity — far more famous than almost all the other members of the academy.

Even his new status as an "immortal" academician, however, is unlikely to broaden Braudel's public in France. His books are much less read than novelistic history-writing based on Braudel's approach — for example, best-sellers such as "Montaigne" by Emmanuel Le Roy Ladurie, a former protégé with whom Braudel has quarreled.

And his unwavering intellectual rigor — rejecting Jean-Paul Sartre's call for scholarship to be subordinated to political commitment — meant that Braudel never became a fashionable Latin Quarter intellectual.

With the help of his wife, Paule, known as Paulette, he has built a formidable power base in French academia, but international repute (and substantial income) came only with his success in the United States in the early 1970s.

In the U.S. market, as in many other countries, the works of Braudel and contemporary French historians whom he influenced outlasted the books of French novelists, philosophers and sociologists such as Claude Lévi-Strauss and Michel Foucault. The ap-

peals of Braudel's brand of history are strong. His books are elegantly written frescoes in which famous events and heroes are rooted in rich details about the slowly changing cycles of everyday life.

Braudel was a historian for 25 years before publishing his first important book, "The Mediterranean and the Mediterranean World in the Age of Philip II," in 1949. He composed it during five years in a German prisoner-of-war camp, drawing from memory on more than 10,000 notes from research over the previous decade.

The book established Braudel as the most brilliant practitioner of the French school of historians named for the magazine *Annales*. Their philosophy of history sought to retrieve the past in its totality. *Annales*, founded in 1929, attempted to incorporate into historical study the insights of the then-new social sciences: the structuralist analysis practiced by anthropologists and sociologists, the intuitions provided by Freudian psychoanalysis and, above all, Marxism's stress on economics.

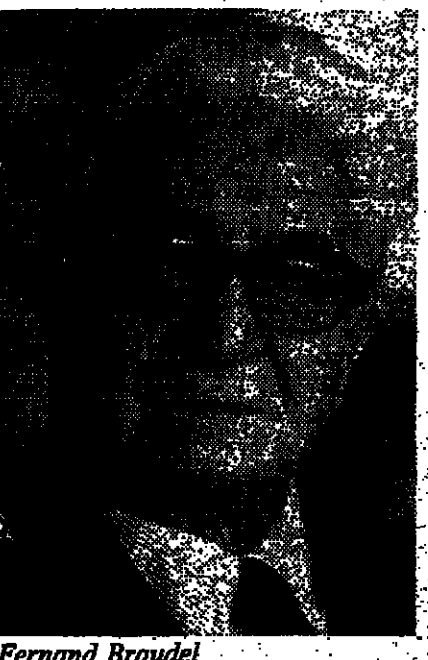
It is a type of history that provides such great panoramas as Braudel's "Civilization & Capitalism," published in French in three volumes in the 1970s. Practicing the broadest form of economic history, he developed the view that each historical era is dominated by a great trading city, always a port. From about 1380 to 1500, Venice was the center of world commerce and civilization. Amsterdam took over in the late 16th century, he says, succeeded by London during the industrial revolution and, in 1929, by New York.

His analysis of capitalism makes it the economic consequence of the emergence of elites, a phenomenon he believes is natural — deplorable perhaps, but inevitable. Asked by a Russian why he was not a Marxist, Braudel replied: "The only revolution worth believing in would produce equality, and none, including yours, has."

"Marx is wrong," he said in a recent interview. "Man does not make history, history makes man." This conservatism, together with Braudel's passion for fascinating little facts sometimes verging on trivia, helps explain his success in the United States.

Braudel is finishing a three-volume history of France, which will surely be controversial, as it blames the French for many of the nation's troubles. In a disunited Europe, he said recently, France faces an era of decline in the face of industrial innovation in the United States and Japan.

In a more intimate tone, he has just published a little treatise on his favorite city, Venice, which he adores for its past epochs of power and pleasure. Like history, it is a place where the heirs of Western civilization can commune with their past, he writes: "When one is in Venice, one is free."



Fernand Braudel

A Little Chamber Music in Burgenland

by Alan Levy

LOCKENHAUS, Austria — In the summer of 1980, the Russian violinist Gidon Kremer attended the Salzburg Festival. While he was thrilled by the performances he heard, he was appalled by what seemed to him the "very smug atmosphere" of evening dress in August, the nagging scrambling for tickets and the swarm of critics, publicists, agents and record-company representatives.

At one performance, he bumped into Father Josef Herowitsch, known as Father H., the pastor of Lockenhaus, a town of 1,000 with a regional parish of 2,500 near the Hungarian border in Austria's agricultural Burgenland. Once a year since 1976, Kremer had given recitals in Father H.'s baroque church to unspoiled, enthusiastic audiences who welcomed even such adventurous repertoire as works by the Russian composer Dmitri Shostakovich.

"You know," Kremer said to the priest, "we really ought to do something in Lockenhaus. I've just come from Kuhmo in Finland and enjoyed the chamber-music festival there so much. I mean the surroundings were so quiet. And I just don't feel comfortable any more here in Salzburg."

Father H. did not let this casual suggestion drop unheeded. He prodded Kremer to write to his musician friends inviting them to Lockenhaus for two weeks in July 1981 to play chamber music and give master classes — for no fees, but with all travel expenses paid, full board and lodging, free tickets to the performances they were not in, and a little pocket money.

Among those who responded were the conductor and pianist Daniel Barenboim,

the Haydn Trio from Vienna and the Wilanow Quartet from Poland, the oboist Heinz Holliger, pianists Andras Schiff and Oleg Maisenberg, violinists Yuuko Stokawa and Peter Zazovsky, cellists Misha Maisky and Ko Iwasaki. Many were performing in Europe that summer, so travel payments were minimal. Costs were met from master-class tuition and concert ticket sales. A chamber orchestra was put together from master-class students eager to work with some of the best talents in music. Kremer and his wife, Elena, a pianist, were artistic hosts and participants and Father H. was administrator.

The first Lockenhaus International Chamber Music Festival was a howling success. In its second year, 1982, the Scottish-born Viennese violinist Maevie Cowan Auer wrote home that she was "playing in the most exciting concerts by the world's musical jet set every evening — usually programmed the day before!" The Austrian Ministry of Culture began subsidizing the festival. The event — originally subtitled "Gidon Kremer & Friends" and later "Between East & West" — is always, as Kremer wrote of the festival, dedicated to "making no concessions to commercial interests."

Lockenhaus, starting its fifth season this year, has managed to remain a world away from what Father H. called "a public that comes to be seen." At Lockenhaus, he said, "our public comes here to hear."

Maevie Auer called it "a reactionary event, in the best sense of the word. It reacts against all the mistakes that festivals elsewhere make and it gives us a chance to play what we want to play instead of what the agents and managers make us play. We clean up our acts."

Continued on page 9



Gidon Kremer.

Jean-Pierre Leloir

Growing Pains in U.S. Regional Music

by John Rockwell

NEW YORK — Just a few decades ago, professional musicmaking in the United States was concentrated in a few large cities, most of them on the East Coast. Today, regional dispersion is a fact of American musical life. New performing arts facilities are springing up everywhere. Important symphony orchestras and opera companies exist all over the country. The growth of sophisticated smaller groups — chamber-music and recital series, early- and new-music specialists and the like — follows close behind.

Such expansion brings not just the expected growing pains but a whole new host of problems and prospects, talks with music leaders around the country make abundantly clear. There are apprehensions about the overextension of musical resources, concern

about whether distinctive regional styles are being eradicated and fears that incessant "outreach," both geographic and demographic, may dilute the quality that a smaller, more sophisticated audience once demanded.

Yet the underlying feeling remains optimistic. American music seems to be fulfilling democracy's mandate, reaching ever outward without any perceptible lowering of standards.

It is easy to demonstrate the radical nature of the regional growth of classical music in the United States. The American Symphony Orchestra League divides orchestras into several categories, the top three comprising what the league calls "professional" ensembles. In 1960, there were 42 such orchestras, of which 25 counted as "major." In 1984, there were 166 professional orchestras, 30 of them major.

This growth reflects not mere numbers but

a geographical pattern of regional growth. Donald Thuleau, director of artistic affairs for the league, estimated that the increase in the number of "professional" orchestras took place primarily in the Southeast, the Southwest, the Far West and the Middle West, in that order.

The expansion of regional opera has been even more dramatic. American musical culture traditionally centered on a town's orchestra, unlike, say, Germany, where the opera house was the focus for musical life. Thus there have been a fair number of first-rate American orchestras since the late 19th century, but significant opera companies flourished in only a few major cities.

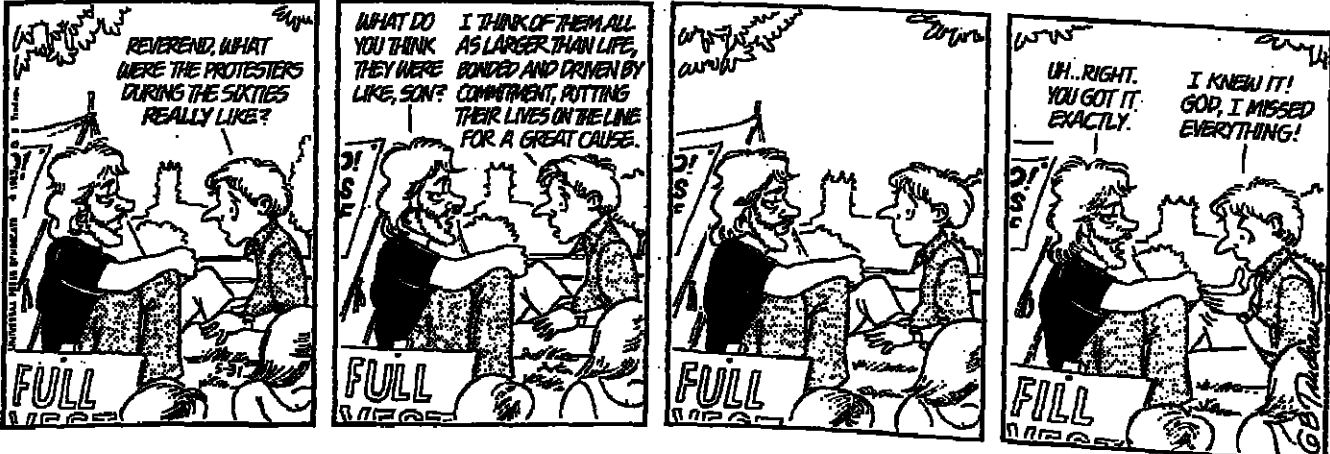
In recent decades, however, there has been an unprecedented rise in the number of opera companies, big and small. According to the Central Opera Service, a fact-gathering body sponsored by the Metropolitan Opera Guild, in the 1964-65 season there were 27

U.S. opera companies with budgets of more than \$100,000; last season, there were 154.

There has been a comparable growth of chamber music, once regarded as a sophisticated form that appealed only to small audiences in large cities, especially cities with large immigrant populations. Now there is what is widely described as a "chamber music explosion." In Seattle, for example, where chamber music and recitals were traditionally presented by the Ladies Musical Club and the University of Washington, five significant new groups have sprung up within the last decade, led by the Seattle Chamber Music Festival and the Seattle branch of the Santa Fe Chamber Music Festival.

What is causing this giddy proliferation of music? One explanation is the shift of population away from the industrial Northeast and Middle West. "I lived in Houston when

Continued on page 8



FOR FUN AND PROFIT

Buying Tours in Dollars Can Cost Extra Bundle

by Paul Grimes

NEW YORK — They have never met, but Robert B. Turner and Sol Chazin have something in common. Each of them has taken an escorted tour conducted by a London-based company called Voyages Jules Verne and discovered that Americans paid substantially more than Europeans on the same tours.

Turner, who lives in Minnesota, paid \$9,310 for his wife and himself to travel by air and rail from London to Hong Kong on what the company calls "The Golden Road to Far Cathay." The journey began Sept. 19 and ended Oct. 28. In a recent letter to The New York Times, Turner said, "During the trip we discovered that Jules Verne had a dual pricing policy. North Americans paid 37 percent more."

Chazin, a mechanical engineer from New Jersey, traveled through India, Pakistan and Sri Lanka, mostly by rail, on a tour called "The Raj Express." The trip began in London on Feb. 5 and ended there March 13. "To start with," Chazin complained in early April, "I paid \$4,100 for the excursion. The rest of the 22 tour members—mostly British—had booked the trip in London for 2,500 pounds. I'm no mathematician, but the exchange rate seems a little off there. Considering that the British pound is worth \$1.05 or so, I overpaid by roughly 45 percent."

The pound has strengthened to about \$1.25 but, even so, there were substantial disparities between what some of the same trips cost in London and in the United States. Voyages Jules Verne was hardly alone in dual pricing; such policies extended to much larger operations, including Cosmos Tour and Trafalgar Tours, both based in London, and Trans-Atlantic sailings of Commodore Line's Queen Elizabeth 2.

In some cases, there are ways to get around this. Most tours out of London can be bought there in pounds. You usually have to be there, however, and identify yourself as the passenger. If a tour is popular and you do not arrive until shortly before departure, it might be sold out.

A notable exception is the QE-2. "You can buy in pounds in London only if you are a U.K. resident—if you possess a British passport," said Alice Marshall, Commodore's assistant vice president for public relations in New York.

If we charged U.K. residents the same price we charged others, there wouldn't be any U.K. business because it would be priced out of the market."

Marshall said an inside cabin in trans-Atlantic class, the lower of the two classes on the ship, with upper and lower berths, on a sailing from Southampton to New York, costs Americans about \$1,510 a person, based on two in a cabin, but it costs Britons about \$855. (Prices vary with cabin location and other factors.) The British price amounts to \$1,067, or \$443 less, computed at \$1.25 a pound. A first-class cabin with two lower berths costs Americans \$2,720 and Britons \$1,540 pounds (\$1,925). A deluxe cabin with two lower berths (and dining in the "choice" Princess Grill) costs Americans \$3,440 and Britons \$1,945 pounds (\$2,431).

To take advantage of the favorable pound rate, a Briton who planned to sail from New York to Southampton would have to buy his ticket in Britain before leaving home. "We don't sell in pounds in the United States," Marshall said.

Tour operators defend dual pricing on the ground that they have to establish rates up to a year in advance. Said Philip Morrell, managing director of Travel Promotions Ltd. in London, which owns Voyages Jules Verne: "Trying to anticipate what will happen between the dollar and the pound is like trying to hit a moving target."

Operators say it costs more to market tours in the United States than in Europe. They cite higher costs for advertising and handling reservations. Morrell said commissions to travel agents ran about 15 percent higher in the United States than in Britain because the U.S. rate was higher and because all his American sales were through agents while his British sales were direct.

Marshall said her company's price structure was based primarily on local conditions rather than on currency fluctuations. "Prices are raised or lowered according to inflation in local markets," she said. "Prices have been sort of steady for the past few years. But if the inflation rate in the United States was 5 percent, that's about how much rates would go up in the United States. If inflation in the U.K. was 15 percent, that's about how much rates would go up in the U.K."

Under "Tour Conditions" on page 82 of its 1985 "Europe's Best Bargains" brochure, distributed in the United States, Cosmos Tourama states that its dollar prices were set in August 1984 and are subject to increase without notice if rates change substantially. "In converting all the European currencies which make up the Cosmos tour prices to U.S. dollars," the company says, "it has been necessary to use a rate about 5 percent higher than the current (August 1984) bank rates of exchange to cover the higher cost involved in making reservations in Europe available in the United States."

Here is one of the results, based on a comparison of this brochure, obtained in New York, with one obtained from Cosmos in London. A 14-day "Grand European

Operators cite higher U.S. marketing costs.

Folklore" tour, beginning and ending in London, is priced at \$549 a person in the United States and £389 (\$486) in Britain. An American can pay in pounds in London, said Jeffrey Joseph, Cosmos's executive vice president for sales and marketing in New York.

The "Scenic Europe" itinerary of Trafalgar Tours is priced at \$775 in the United States and £620 (\$325) in London. For Americans, however, the price includes three nights in London hotels, which are not part of the British offering. If you subtract \$99 for those nights at Trafalgar's listed rate of \$33 a night, the American price drops to \$676. In its British brochure, however, Trafalgar offers, as an extra, the same accommodations at £22, or \$27.50, a night.

Asked to comment, Nigel Osborne, vice president for sales and marketing for Trafalgar in New York, said, "We don't specifically market those tours in the U.K. The brochures are there in our London reception center in case somebody returning from one of our tours wants to buy another one."

At American Express, Miriam Trokan, manager of business support communications, said most of the company's European tours were priced in dollars and a European who paid in local currency would do so at the exchange rate then current. Short tours and villa vacations priced in pounds can be bought by anyone at that rate, she said.

Explaining Jules Verne's dual pricing, Morrell said many of the company's expenses were incurred in Communist or developing countries where they had to be paid in dollars or at rates set in relation to the dollar. He said that few Britons took his tours (a point some travelers have disputed) and that, because trade regulations limited the surcharges that could be imposed on them, they were in effect being subsidized by non-Britons. He said that if an American in London insisted on paying the pound price, he could do so, but that in mid-May the rates in the 1985 brochure were subject to a 9.9 percent surcharge.

Once an American has paid in dollars—such as Turner of Minnesota and Chazin of New Jersey learned after substantial correspondence—seeking a refund is likely to be futile. "Our pricing policy is not and cannot be the concern of any entity other than this organization," Morrell wrote to Turner. He called it "illogical to make comparisons and accusations as to price bias without comparing like with like and the differences of promotion and marketing costs."

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Roger Collis's column will resume next week.

Gems for Golfers in Alpine Lake Country

by Thomas L. Friedman

REAL golfers and real fishermen have a lot in common: They like to keep secrets. The ideal, undiscovered, uncrowded 18-hole course is cherished by golf fanatics the way fly fishermen shroud in secrecy their favorite bends in the river. So it is with some reluctance, but with the enthusiasm of one who could never keep a secret, that I write about the golf courses at the foot of the Alps in the lake country along the Italian-Swiss border.

Few ever get a mention in the guidebooks or make the lists of the world's greatest golf courses, in part because the nearby skiing tends to dominate the sports writing about this area. But when God created the Alps, he also carved out a few valleys and terraced slopes that happen to be ideal for golf. Some of these courses are as delightful, challenging and scenic as can be found anywhere. This is golf worth traveling for, and, when it is combined with the other attractions of the area, it is worth traveling a long way for.

The region has a number of major tourist centers—Locarno and Lugano in Switzerland, or Como in Italy, to name only a few. My wife and I chose to work out of Stresa, an Italian resort town on the shore of Lake Maggiore, about 90 minutes by car from Milan. We were able to combine daily golf with sightseeing or a scenic drive.

While American golfers may feel shy about barging into private clubs in Switzerland or Italy, such clubs are all set up to welcome foreign guests and the green fees are reasonable. Though English is not spoken much in this area, one quickly discovers that golf is an international language. In a week of playing on different courses, we were paired with a German woman from Bavaria, two Italians and a French couple from Milan. We soon picked up such handy terms as "C'est donné," which is French for "I give you that putt," and "Rimettete a posto le zolle," Italian for "Please replace your divots."

A fine place to begin a golfing holiday is at the Associazione Golf Club Alpino di Stresa, about a 20-minute drive from Stresa up a winding, narrow mountain road. This is a short nine-hole, par 35 Alpine course set on a mountain slope about 2,400 feet (730 meters) above Lake Maggiore.

The day we played there, the course was shrouded in fog. It was impossible to see anything—anything—more than 25 yards in front of you. Nevertheless, the course was crowded with local golfers. They, of course, knew where the holes were.

My wife and I started out alone, squinted out from the first tee, glanced at the map on the back of the scorecard, decided the hole

must be that way and drove straight into the curtain of fog. Fortunately, before we got completely lost or bounced a golf ball off some stranger's head, we were joined by two Italian gentlemen who acted as our Sherpas. There was a comic scene on the par-3 seventh hole, a straight 150-yard shot into a well-bunkered green. A French couple had been playing in front of us, and the fog was so thick that even on this short par 3 we could not tell if they were off the green. After waiting a suitable time, the Italians began yelling in French, "Are you finished yet?" and "Is the green empty?" When no answer came back, they lined me up, and I swung away into the gray mist.

Like many high mountain courses, the Alpine has tough, heavy grass on both the fairways and the greens, and the tees are a little rough. But the views, which we later investigated on a clear day, make up for it all, and for the nongolfer the nine holes provide a lovely walk through the Alpine woods. There are no caddies or electric carts, but the well-stocked pro shop rents pull carts and clubs, and sells everything from golf clothes to gloves to European-size golf balls, which are slightly smaller than American ones. Like most of the courses in this area, the club does not reserve tee times for foreign guests. You simply show up and announce that you want to play, and, provided a tournament is not on, the starter will fit you in.

An afternoon at the Alpino course is best combined with a drive to the summit of Mount Montarone, whose 4,890-foot peak can be reached by continuing for about another 45 minutes along the same twisting road that climbs up from Stresa to the golf club. Along the way, the road cuts through a forested national park, where local people picnic on weekends, and the tiny village of Gignese, which houses what may be the world's only umbrella and parasol museum, open April to September.

Once you have got your game loosened up at the Alpino, it is time to try one of the "real" courses in the area. To start with, there is the Golf Club Patriziale Ascona in the Swiss lakefront town of Ascona, adjacent to Locarno and about a 70-minute drive from Stresa. This is a typical Swiss country club, which draws its membership from all over Europe. The par-71 course measures about 6,000 yards, and it is a little jewel—a flat, parklike course with narrow driving alleys, bulging fairways, well-bunkered greens and a rough that is lined with all kinds of trees. (There is some variety that the club has marked the main species with identifying plaques.)

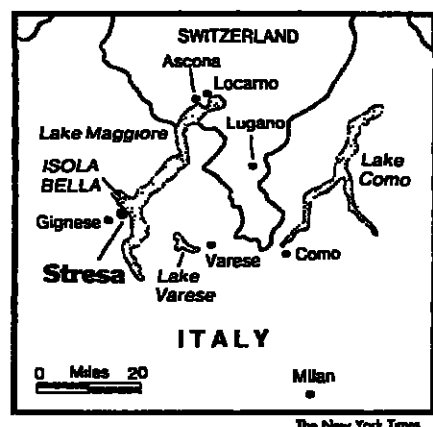
Ascona is open from March to November. Clubs and pull-carts can be rented at the clubhouse. They accept Italian lire as well as Swiss francs.

Getting to Ascona from Stresa is half the fun. Two routes are possible, both of them

scenic. The first is a drive north along the lake road, which is lined by dozens of ornate stone villas with manicured lawns, open-air lakeside restaurants and flowers in a rainbow of colors.

The other route, even more spectacular but less direct, is by way of Domodossola, at the foot of the Simplon Pass, then into Switzerland to Locarno. This sometimes dizzying two-hour ride takes you up and up to ever-narrower roads, past tiny Italian Alpine villages and stone houses just below the tree line. The route is not for the faint-of-heart, the driver of an underpowered car or the golfer rushing to make a tee time.

For those seeking more challenging courses than Ascona, the Golf Club Varese, on the edge of Lake Varese, is about a 90-minute drive and ferryboat ride east of Stresa. This is a big course with wide fairways



SWITZERLAND
Ascona Locarno Lugano
Lake Maggiore Lake Varese Lake Como
ISOLA BELLA
Gignese Stresa
ITALY
Milan
0 Miles 20
The New York Times

and narrow, but dangerous, tree-infested roughs; in many ways it recalls Spain's great St. Ignace Golf Course on the Costa del Sol. But in other ways Varese is more interesting.

To begin with, its modern clubhouse is contained within the walls of a 13th-century convent, complete with bell tower. I found several of the holes at Varese to be a brilliant collaboration between the course designer and nature. Be prepared for hilly terrain, though, since the course is built on several different levels and requires you to think and to use every club in the bag. The 10th hole, for example, has a tee that lies more than a hundred feet above the fairway, which runs straight down to the lakeside green. On the 12th hole, a par 5, the green is protected from big hitters trying to get on in front of it by a deep natural gulch that cuts right in two of it and swallows any poorly hit ball; a similar gulch yawns between the tee and the green of the par-3 13th hole.

The church bells pealing from the nearby village every hour, together with the singing birds and the lovely day on which we played, made me think at times that I had died and gone to golf heaven.

Varese is open all year. It does not have clubs for rent but has a few caddies and electric carts to help with the hills.

The trip to Varese from Stresa is best combined with a visit to the botanical gardens of the Villa Taranto. The villa is just outside Intra, the village north of Stresa where you catch the ferry across the Lake Maggiore for the drive to Varese. The gardens contain thousands of plants from all over the world.

ANOTHER morning tour that can easily be combined with an afternoon's golf at Varese is a visit to the three Borromean Islands in Lake Maggiore, directly across from Stresa. You can hire a boat by the hour or take the inexpensive public ferries from the town pier and from island to island. Isola Bella, with its baroque palace and extravagant formal gardens, is almost worth giving up nine holes of golf to see in its entirety.

For a perfect blend of the best of the Ascona and Varese golf courses, try the Lugano Golf Club on Lake Lugano in Switzerland. This flat, 18-hole par-71 course, which measures a little under 6,000 yards, has a lush, parklike quality, bordered by the deep blue lake and sheer Alpine slopes. It has several memorably carved holes, woven around a rushing mountain stream. Stone runs now cloaked in ivy have been incorporated as formidable obstacles on some holes. I especially enjoyed the par-4 300-yard 14th hole, where you have to needle your drive between the remains of an old stone house on the left and trees and traps on the right.

Open all year, the Lugano Golf Club is also about a 90-minute drive and ferryboat crossing from Stresa. Clubs and electric carts can be rented.

The club lies about five minutes outside Lugano, where you can visit the Thyssen-Bornemisza family's Villa Favorita, nestled in a stylish garden on the lake. It houses one of the greatest private art collections in the world. Opening hours are limited to mornings and afternoons on Friday and Saturday and afternoons only on Sunday, from Good Friday to mid-October.

Although we did not get a chance to play them, there are three other golf courses within a two-hour radius of Stresa: the par-73 Golf Club Biella, southwest of Lake Maggiore; the par-72 Golf Club of Milan, reputedly the best in the area; and the very hilly par-69 Villa d'Este Golf on Lake Como.

A guide to Italian golf courses is available from the Federazione Italiana Golf, Via Flaminia 388, 00196 Rome. A complete listing of all the clubs in Switzerland may be had from the Swiss Golf Association, Case Postale, CH-1066 Epalinges-Lausanne. It is always advisable to call ahead, as the courses are sometimes closed to visitors because of private tournaments and the like.

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Translators' Pitfalls

Continued from page 7

are necessary in Czech, and "man," that confounded noun that excludes women from such important statements as "all men are created equal," is replaced in such pronouncements by the perfectly neutral but also perfectly natural *člověk*. At the same time, Czech has masculine and feminine endings for verbs and nouns that allow the speaker gender identification. The writer, it seems to me, greatly profits from this eroticism in the language, and I flatter myself that I have played many a game with it in the endless conversations of my characters of opposite sexes, undoubtedly to the chagrin of my excellent translator, Paul Wilson.

In May 1945, in Pilsen, I gazed at mildly sex-starved GIs engaged in girl watching. From time to time they would call "Look at her!" Then I noticed that Czech youngsters had begun commenting on pretty girls with exclamations like "What a *lůdkatka*!" I witnessed that blessed summer of 1945 was a new word being born out of the mouths of the people. To the ears of youngsters ignorant of English, "Look at her!" sounded something like "Lookatka!" From there it was a short step to the perfectly Czech-sounding feminine substantive "*lůketka*" and then to its diminutive, "*lůketka*."

I used the word later in several stories, and it caught on. Recently, like a greeting from a distant land, the word came back to me in the pages of a novel written by a young Czech writer and published in Prague in 1983. "She was among the prettiest *lůketkas* in town," the hero muses. "What is it really; a *lůketka*? I have read it somewhere. Something like a beautiful girl, a joy to look at." Come on, my friend! You know where you read it. Only you cannot say it in socialist-realist Czechoslovakia.

The *lůketka* called Doty in "The Engineer of Human Souls" does not speak Czech. She speaks very consistent American Czech, a language that was another pain in the neck for my translator.

American Czech is described in H.L. Mencken's "American Language," but since Mencken's days, with waves of immigrants escaping from totalitarian empires, he and other immigrant languages have greatly expanded, developed, grown more sophisticated. Alas, they are untranslatable into English. Czech—along with Polish, Russian, Italian, Japanese—has been beautifully bastardized by the language of Mark Twain, and it is the English component that makes it

such a charmingly funny vehicle. But English cannot be translated into English.

No Czech translator—and there are some pretty good ones—can do justice to "For Whom the Bell Tolls." The Spanish effect of its dialogues is based on the composite roots of modern English, on its richness of synonyms of Romance and Anglo-Saxon origin, a richness that does not exist in Czech. Romance elements in that language are minimal, and to find a substitution... well, we tried once, in another book.

The Czech publishing house where I was an editor was guided by the "scientific" approach of Marxism. A brilliant translator, entrusted with rendering three novels by Agatha Christie into Czech, decided all previous translations had been unscientific because Hercule Poirot talked like any other character in the novel. In English, the clever Belgian speaks an extremely Frenchified English.

Our translator set to work scientifically, but since there is no historic relation between Czech and French, she based her solution on the historical relations between Czech and German. The experiment backfired. Countless letters arrived on the editor's desk: "This is an outrage! The charm-

ing, the beloved Poirot speaking like a Sudeten German!"

These are the more or less technical problems of the translator's craft. The art enters after he has solved them, or rather it pours out of the book through the many channels that circumvent the difficulties and impossibilities of radical differences between languages. A good writer does not rely on the richness of imagery alone. He often draws heavily on connotations, associations that sometimes only readers of his own background, his own history, can have.

Knowing all this and more, one has to be grateful to translators and to the watchful editors who, not being under the spell of the foreign language, correct their English. Working against heavy, often overwhelming odds, under impossible deadlines and for beggarly remuneration, the brave translators still manage to produce good copies of otherwise inaccessible originals.

Josef Skvorecky, a novelist and the editor of The Sixty-Eight Publishers in Toronto, has translated Faulkner, Hemingway, James and other writers into his native Czech. He wrote this essay for The New York Times.

Two Feet a Day

Continued from page 7

infinitely more rewarding and easier. Walking at a proper gait you can pace the 74 miles from Exmoor to Bristol in three days. The going is by way of the Quantock Hills (Wordsworth country), Cadbury (the supposed Camelot of King Arthur) and the deep-cut Cheddar Gorge.

Georgian Bristol, Britain's first known prehistoric port and now a fashionable arts center and university town, is a better place than most to demonstrate how a dedicated walker can see more, more quickly than a captive sightseer on wheels. The trick is first to find the cultural center, where there will almost certainly be an information bureau with street maps and brochures, and then move outward in an ever-expanding cultural spiral.

In Bristol, the boat basin marks the old harbors from which the city built up its long history of maritime adventure and commerce. Few tourist buses venture into those half-forgotten streets and narrow quays of marvelous architecture. As you stroll from one place to another without watching your watch, the workaday life of a historic city begins to unfold.

In a busy city, walking often takes little more time than using public transport. But however you journey in Britain, you should take time off to get to grips with the physical feel of the land. The feet rasp in entirely different ways on grits, sandstones and shales; they sense the elasticity of turf-covered limestone and peaty moorland; they feel different, too, in a way that cannot easily be put into words.

A line drawn across England from Dartmoor in Devon in the southwest to the mouth of the Tees in the northeast divides Britain into two fairly distinct regions. To the north and west of that line are the refuges of the Celts, largely mountainous. To the south and east are mostly the shires of Saxon Britain. The line is physically visible in the Gwy valley to the north of Bristol where the Welsh border, a scene of centuries of conflict, is marked by Offa's Dyke. It was dug out in the eighth century by the vessels of King Offa of the Middle Kingdom of Mercia, and it was decreed that anyone found carrying arms on the wrong side of the dyke

could expect to be put to death, summarily. Tiring of the upping and downing among forested hillsides on my first long trip, I struck east through Shropshire and then northeast by way of deserted canals to the foot of the famous Pennine Way at Edale in Derbyshire. This is the central highway for walkers in Britain, the escalator to the Scottish border. The foundations are of rasy millstone grit. Far below, the lines of long, low gray-black houses look like moored destroyers.

In the Yorkshire Dales the grit is replaced by a gleaming white roller coaster of mountain limestone. Here you must have songs to sing. It takes 10 to 12 days to stride the 250

miles on the crest of the Pennines between Derbyshire and that really bonny corner of the Scottish border near the rose-red township of Jedburgh.

Scotland, like England, is divided by a diagonal, the Highland Line. It extends northeast from a much disputed point not far from Clydebank and disappears somewhere in Shetland. It can be likened to a huge brooch that clasps together the Highlands and Lowlands. To the north and west they used to wear the kilt and speak Gaelic. Today that tattered legacy is replaced by a lilting cadence that to one pair of Sassenach ears is not half as broad as Lallans, the dialect of Robbie Burns and the Lowlands,

where they wear the trew (plaid trousers). No easy words can describe the stark splendor of the Western Highlands, which are slashed by sea lochs that give the coast such a dissipated appearance on the map. Some of the glens are still clothed by that most noble of native conifers, the Scotch pine, with an upper trunk the color of Celtic gold. A lone tree has about it the quality of a defiant bogie blast.

There is a trail of sorts across the Western Highlands from Glasgow to Fort William. I know of a better one, the exact coordinates of which could not be dragged from me by the wild horses of Thule lest the coming of thousands destroy the solitude that is its principal ornament. But I'm prepared to drop a clue: ancient drove roads, those Highland tracks down which veritable rivers of cattle were annually driven south to England, mostly in the early 19th century, are still to be traced and trodden by the adventurous.

There are distilleries on the way—some of them official and some not—since the combination of sparkling torrents, peat, imported grain and traditional know-how lead inexorably to the production of that sometimes almost transparent drink of whisky connoisseurs, Highland malt. It is made in many places, from the Hebrides to Wick in Caithness, but Speyside is to true malts what Kentucky is to bourbon, and what many consider that the greatest of them are from what must be the longest glen in the world, Glenlivet.

There is still argument about whether aque vitae came from Scotland or Ireland, but there are few doubts that the Scots invented the game of golf. The bunker-like eskers, the drumlins and moraines left behind by worn-out glaciers provided them with ready-made courses.

To the perceptive, geography is everywhere. A walker must decipher what he sees, and for the walker in Britain the variety and pleasure are infinite.

John Hillyar is the president of the Backpackers' Club in Britain and author of "Journey Home" and other books on walking. He wrote this article for The New York Times.

Chamber Music

Continued from page 7

Even Gidon plays better than ever before whenever he comes here.

At least 100 musical works are given in about 25 concerts in 15 days, including music not played much elsewhere because of unusual instrumentation (such as a Copeland "concerto for two deep instruments" superbly realized by the cellists David Gering and Antonio Meneses) or politics (one of last year's most beautiful offerings was "Garden of Joy and Sadness," a work for harp trio by Sofia Gubaidulina, that is banned in Moscow, as is its composer). The concerts, which often last three to four hours with two intermissions and frequent encores, cost less than \$10, with subscribers to six or more events receiving seating preference, bonuses such as admission to rehearsals and music films, and, above all, help with lodging, which grows scarcer every year.

The master classes proved a burden on the soloists, so most were dropped in 1983, but students still rehearse with the stars. The orchestra in 1983 was built from contestants in a string-quintet competition. Last year, for the first time, Lockenhaus imported a chamber orchestra, the Young German Philharmonic (25 string and 10 wind players) on the same no-fee basis as the soloists. This summer it will bring in the German Chamber Music Academy Orchestra from Neuss. There remains one master class each summer. Last year's was in violin with Piotr Bondarenko, Kremer's teacher, formerly of Moscow, now of Tel Aviv. This year's will be on German Classical and Romantic chamber music with Franz Rupp, former accompanist of Fritz Kreisler, Pablo Casals and Lotte Lehmann.

Though Lockenhaus still has no hotel or tourist office, one tangible improvement wrought by Kremer's festival has been the rescue of the Burg, the local fortress-castle, from neglect and oblivion. Perched on a high bluff above the town, its forward reaches were built in 1665 and its farther reaches date from at least the ninth century and possibly as early as Roman times. Festival proceeds have paid for refurbishing the Burg, making it a popular tourist attraction, with its torture chamber, its Knights' Hall—said to be the only Gothic secular construc-

tion in Austria—and its chapel, with the oldest frescoes in Burgenland. Its raftered Festival Hall has been converted into a concert auditorium with two galleries and almost 1,000 seats.

Detailed festival programs are never being posted more than 24 hours in advance, but programming is seldom all that improvisational. The framework for each evening, such as this year's "Haydn & Contemporary," July 1 and "Bach and Shostakovich," July 5, are announced months in advance. The artists suggest the themes, and then the selections, but the exact combinations are decided on only after everyone has reached Lockenhaus and rehearsed together.

Half the concerts are in the Burg, whose thriving tavern has grown into a year-round enterprise open daily from 9 A.M. to 11 P.M., with an ambitious menu and reasonable prices. There may be better castles and better castle restaurants in Austria, but nowhere can you dine in so charming a courtyard.

Kremer, 38, mingles with the spectators on his rare nights off during the two weeks that he considers the high point of his year. "Every friend of mine expects me to play with him or her, so I not only have to run the artistic side of the festival, but also play almost twice as much as anybody else," he said. "I'm getting used to putting myself together for a performance on three hours of sleep." Caught between rehearsals last year, he said that Lockenhaus was "no longer an adventure for me; it is now a philosophy and way of life. We're still expanding a little. In 1984, we repeated our opening performance... at the Vienna Konzerthaus. In 1985, we'll tour 'Music from Lockenhaus' in Germany and perhaps elsewhere after the festival. But I don't want to aim any higher than just developing and preserving Lockenhaus's ideal nature as an oasis."

Lockenhaus International Chamber Music Festival, June 29 through July 14. Information and reservations: Kammermusikfest, A-7442 Lockenhaus, Austria (tel. 02616-2224).

Alan Levy is a Vienna-based author and journalist.

Secluded harbor at Mullion Cove in Cornwall.

Herald Tribune

Published With The New York Times and The Washington Post

Demand Will Need Help

With money, as well as news, being bounced round the globe off satellites, the dynamics of the world economy are changing. As the OECD secretariat warns in its latest analysis of economic prospects (see report on Page 1), if things stop getting better they will probably start getting worse.

The last couple of years have seen some progress out of the economic morass in which the decade started. New jobs have been created — although not nearly enough in Europe. The most imminent problems of international debt have at least been pressed back. And the opulent and the ill-fed have belatedly stepped up their efforts to stop hunger from giving way to starvation.

But chaos is never far off. Today's prospects are hardly promising unless changed policies give them a push. It looks as if such acceleration of growth and world trade as there has been recently is going to be interrupted, with demand in the United States recovering less hectically and no major expansionary force replacing it elsewhere.

If world demand becomes less expansionary — and this is the forecast of the OECD staff — international financial conditions could deteriorate sharply, with indebted developing countries deciding that the unpopular policies they have been following are not going to restore their fortunes, and individual OECD countries resorting increasingly to protectionism. A return to the financial crisis of two years ago could act like a deadweight on the real economy — the world of output, profits and jobs.

The world economy is largely what the OECD countries make it. Chaos will easily come again if they look only to the past. Recent years have seen the almost total dedication of OECD governments to rooting out inflation, which is hardly surprising

given the predicament they inherited — or concocted. But there is a difference between dedication and inflexibility.

What happens when demand in the United States loses the dangerously strong budgetary stimulus of recent years? Other things being equal, depressive effects will spill over into the rest of the industrialized world — because the boost to their exports deriving from the American boom and the overvalued dollar will shrivel. The likelihood that these effects will be automatically offset by falling interest rates seems weak.

America's partners showed themselves disinclined, at the recent Bonn summit, to take action to offset U.S. weakness, and the IMF staff supports them on this: The spirit of the time requires that governments concentrate their efforts on breaking down the rigidities that hamper output.

The OECD staff, less didactic, raise two important questions. First, could progress toward better supply-side responsiveness be getting to the stage where some easing of demand policy becomes feasible? Without laboring the point, they note that wages, at least, are becoming more flexible.

Second, as American growth slows down may not Europe and Japan need in any case to expand their own demand simply to prevent the expansion of world demand from shrinking below its already meager rate?

Neither question can be answered immediately, because the more stringent budget policy needed in the United States is not yet in place. But it is right that these questions should be raised. The OECD's latest analysis lifts the debate into an area which Prime Ministers Kohl, Nakasone and Thatcher are mistaken to regard as off limits.

INTERNATIONAL HERALD TRIBUNE.

Victory for Foreign Aid

A political maneuver that may have seemed for 10 days this month, to have undermined American support for the World Bank and other international lending institutions now seems to have strengthened it and put it on a more permanent basis. The maneuver was the refusal by Representative David Obey, the Wisconsin Democrat who chairs the foreign aid appropriations subcommittee, to support the administration's request for a \$237-million supplemental appropriation for three of these organizations. Mr. Obey acted when his Republican counterpart, Representative Jack Kemp of New York, moved to cut off these funds and most of the subcommittee Republicans supported it. At that point Mr. Obey and other Democrats voted against the \$237 million, too, and it was stricken from the bill.

That move threatened serious harm; it would have frozen lending at the Inter-American Development Bank and resulted in failure to meet U.S. commitments to the World Bank and the Asian Development Bank. But Mr. Obey had good reason to do what he did. Bashing the international lending agencies has been a favorite sport for House Republicans for years. Mr. Kemp's attacks have at least been consistent with his own economic theories that the agencies have been too stringent on borrowers. Other Republicans have delighted in cheap-shot amendments against lending to Communist countries — amendments they know any administration must oppose because the measures violate long-

standing U.S. commitments. But that did not prevent the House Republican campaign committee two years ago from launching attacks on 21 Democratic congressmen who voted for such an amendment — even though they were supporting President Reagan's position.

"We're not prepared to be punching bags for Little Leaguers on your side of the aisle," Mr. Obey said, and insisted that the administration get a majority of House Republicans to support this and other foreign aid bills.

His maneuver seems to be working. Last week Mr. Kemp decided that a letter from Treasury Secretary James Baker removed his objections to the \$237-million supplemental appropriation, and every Republican on the House Appropriations Committee voted for it. They were joined by 23 of 27 Democrats.

So the fun is over for the House Republicans. Not all of them like it, and there is a lot of grumbling from members who, back on the stump, swore to vote against anything that even looked like a foreign aid bill. Now they are being forced to recognize, as the Reagan administration was forced to recognize, that the international lending agencies do exceedingly useful work without which, among other things, the bounteous standard of living enjoyed in the United States could not have been achieved and cannot be maintained. By getting Republicans into the habit of voting for foreign aid, Mr. Obey's maneuver helps to restore a bipartisan constituency for foreign aid.

—THE WASHINGTON POST.

Other Opinion

In Brussels, 38 Dead and 1 Goal

Fired up by the hatred of which they are known to be capable to a degree equaled by few others in the world, and by the alcohol of which they are tragically avid, more than a hundred English bootleggers burst into a rage, throwing bricks, stones and bottles. Shame on nations that pose as civilized and yet send these brutal scoundrels out into the world.

—Gianni Brera in La Repubblica (Rome).

Is it still worth it to organize great matches when the risks have become so high? Yet it was clear that an exuberant (but not vicious) Italian crowd, face to face with the British hordes, was a fearsome deterrent. It was foreseeable that there would be dramatic consequences.

—Jacques Hérang in Le Soir (Brussels).

To judge by the empty and broken bottles in the center of Brussels and outside the stadium, drink was again at the heart of the problem.

—The Guardian (London).

The match was not played to determine the better team but for reasons of public order. Juventus didn't want to play. It was out of fear that officials decided the show must go on.

—Oreste del Buono in La Stampa (Turin).

Whatever the arguments about crowd segregation, police inefficiency and provocation, weak walls, barriers and fences, it is the hooligan curse on English society which is culpable.

Perhaps the very future of the game, certainly the part played in the international arena by England's teams, must be deemed in jeopardy now. But when it comes, expulsion from European competition will be too late for [Wednesday] night's victims and their families.

—Jeff Powell in the Daily Mail (London).

[Soccer] has been swamped by a persistent strain of criminal violence. No one should quarrel if British clubs are banned from European competitions for years. But the game is no longer the thing. The game has gone.

—The Times (London).

FROM OUR MAY 31 PAGES, 75 AND 50 YEARS AGO

1910: A Medical Upsoar in America

WASHINGTON — So great is the interest aroused among members of Congress by the rival arguments of the National League of Medical Freedom and the American Medical Association regarding the proposed Department of Public Health that they are eager "to get to the bottom of the question." The charge made by the opponents of the measure that it will mean the creation of a "doctors' trust" is so startling that many Senators and Representatives are eager to know in detail upon what ground the League bases such an assertion. "The indifference or hostility," says Mr. B.O. Flower, president of the League, "arises largely from their innate fear lest their rights and liberties be infringed upon."

1935: French Cabinet Overthrown

PARIS — The Flaminio Cabinet was overthrown [early on May 31] when the Chamber refused to grant it full powers for the next five months to restore public finances and protect the franc from devaluation. The government's project was defeated by 353 votes to 202. The Ministers, with the exception of Premier Flaminio, who retired in a state bordering on collapse to his sick room, went to the Elysée Palace and presented their collective resignation to President Lebrun. Earlier in the evening, Finance Minister Germain-Martin offered his resignation to M. Flaminio, who was accepted. After the session M. Flaminio was led from the tribune in an almost fainting condition and had to be helped to his car.

An Opportunity for U.S.-Indian Relations

By Thomas P. Thornton

WASHINGTON — The Nehru family's visits to Washington have not been political successes. Even John Kennedy's enthusiasm for India was dampened by his encounter with Jawaharlal Nehru, and the 1971 visit of his daughter, the late Indira Gandhi, was described by Henry Kissinger as among the most unfortunate meetings Richard Nixon had with any foreign leader.

When Mrs. Gandhi's son and successor, Rajiv, calls on President

Reagan next month, expectations will be high, but neither man will find it easy to meet them.

If Mr. Reagan is to back up his words about democracy and free enterprise and limiting Soviet influence in Asia, he must reverse several trade and lending policies that work to India's disadvantage. And Prime Minister Gandhi must ask himself whether he wants to talk about the

past — meaning Pakistan — or instead to look toward a future based on shared economic interests.

Mr. Gandhi's policies favoring private enterprise and foreign investment open up possibilities for collaboration. Indians and Americans have high hopes that could lead to improvement in strained political relations. But in the short run these are fragile expectations.

The Indian move toward liberalization remains a far cry from what Americans understand as an open economic system. And while reduced trade barriers can benefit American exporters, especially in electronics and computers, India faces a foreign exchange squeeze and understandably looks to America for support, especially as it moves toward economic policies America has long recommended.

But it is hard to see at this point where America is going to help. Neither large amounts of bilateral aid nor the opening of U.S. markets to Indian exports would be likely to gain support in Congress. Funds for India in the international lending institutions are declining — in part because of new demands by China and Africa, but also because U.S. contributions are being cut back. Technology transfers and investment are largely in the control of the private sector, not the government.

American hopes of a rapid Indian shift away from the Soviet Union are vain; the tie to Moscow is simply too important for India to jeopardize. When Mr. Gandhi calls for improved relations with Washington, he is not talking of anything that India might need to do but is calling on the United States to change its policies, especially military supply to Pakistan.

His government recently signed a joint communiqué in Kabul, of all places, expressing concern over the deteriorating security environment in the South Asian and Indian

Ocean region resulting from the introduction of sophisticated arms and the increasing militarization of the area — code words aimed at American policy, not at the Soviet occupation of Afghanistan.

If this sort of thing foreshadows Mr. Gandhi's approach, the session will take its place as one more in the sad history of Indians and Americans talking past and irritating each other. Yet India and America are at a special and promising moment. American interest in India has never been higher, and Mr. Gandhi has begun a process of change that can provide the long-term basis for a better political understanding.

Both countries are uniquely open to each other, and if they look to the future instead of the past, this summit meeting can break the dreary mold of its predecessors.

For Prime Minister Gandhi it offers an opportunity to project the image of the new and changing India and convince a skeptical American private sector that it is a welcome partner in India's development. For President Reagan it is an opportunity to overcome some barriers of mistrust — to convince the Indians that America shares a common strategic interest in the stability of South Asia and understands and supports their reasonable political and economic ambitions — and expects the same in return.

India is only one of many claimants on American resources and concern. But the political and economic rewards may be substantial. The high cards Mr. Reagan holds in dealing with Rajiv Gandhi, no less than with Deng Xiaoping, are economic and technological. This is an opportunity to play them as a modest start toward the kind of long-term relationship America wants.

The writer is adjunct professor of Asian studies at the Johns Hopkins School of Advanced International Studies. He contributed this comment to The New York Times.



Efficient Tax Reform or an Ideological Crusade?

By Anthony Lewis

BOSTON — "Taxes are what we pay for a civilized society," Justice Oliver Wendell Holmes said in a U.S. Supreme Court opinion 80 years ago. President Reagan comes from another universe of values. To hear Mr. Reagan, taxes and government itself are evils. There is no hint that taxes are the means, however imperfect, by which we meet community needs: for schools, roads, museums, support for the afflicted and all the other necessities of civilization.

It is only rhetoric, some might say. Mr. Reagan is seeking public support for a great undertaking — a transformation of the revenue code — and he is entitled to throw in some populist phrases. Who could blame him for talking about the Statue of Liberty or America's "eternal frontier spirit"?

But Tuesday's rhetoric raised an important question: Is President Reagan seeking reform of the tax system for its own sake, or is he really interested in advancing ideological goals? That question could play a weighty part in consideration of the Reagan plan in the months ahead.

Groups at all points of the political compass agree on the idea of tax simplification, but many do not accept Mr. Reagan's vision of shrunken governments leaving more and more of what are now public responsibilities to private action or none at all. Consider a major element of Mr. Reagan's plan: ending the deduction for state and local income taxes. Is that tax reform or ideology?

On the one hand, the proposal would push states toward the Reagan vision of smaller government. In relatively high-tax states such as Massa-

chusetts or New York, big taxpayers have been able to tell themselves that they would be able to deduct the payments on their federal returns. Without that factor there would doubtless be heavy pressure for tax cuts in those states, and they would have to trim government activities.

On the other hand, ending the deduction would remove a big loophole for wealthy federal taxpayers. And the proposal would provide much of the additional revenue needed to make possible the lower rates in the Reagan plan. There cannot really be meaningful tax reform without elimination of that deduction.

Another point: America is not really a frontier society anymore. It is a country with states and cities helping millions of poor and handicapped

people for whom federal funds are drying up. Just the other day the Congressional Research Service reported that 22 percent of the country's children are in families living below the poverty line. That is the reality behind the tax burden in some of the populist urban states.

If it comes to be believed that "tax reform" is a way of wishing the reality away, the terms of the debate will not be about reform anymore.

The president said his plan would "create millions of new jobs" by stimulating investment. But an economic forecaster, Roger Brimmer, said this was "more religion than science."

Of course ideology is inseparable from any tax change. But this plan, if it is to be enacted, must be promoted and judged as reform. By that test Mr. Reagan deserves a passing grade. He cut back on the original Treasury plan, eliminating some of its bold lines and trading off this and that concession to particular interests. But much, commendably, has survived.

Thus the Reagan plan would put some limits on deductions of interest, although still with too much benefit for the rich. It would phase out most depletion allowances, although it would give back to the oil companies the right to count intangible drilling costs as an expense. It would tighten depreciation and impose a minimum tax on corporations, ending the scandal of big tax-free companies.

An interesting symbol is the decision to put a minimum tax of 20 percent on high-income individual taxpayers: a higher rate than expected, and a sign of seriousness. But Mr. Reagan carved in on the question of capital gains. And he expanded the Individual Retirement Account.

The debate should be on issues like those. It should be on whether the president has given away too much of the first Treasury proposal. If he and Congress stick to questions of reform, forswearing ideological visions, reform just might be a reality.

The New York Times.



Second Terms Are Accident-Prone

By Harrison Salisbury

NEW YORK — There is a popular American belief that when presidents win a second term they are home free and can dictate a national agenda of their choosing.

Not so. Experience shows that second-term presidents more often than not run into heavy weather — even if they win by landslides.

It is not unusual that Ronald Reagan, having won a second term by an extraordinary margin, is encountering serious problems in Congress and public antagonism over matters such as Bitburg and Nicaragua. The same thing happened to Franklin D. Roosevelt when he won his second term in 1936, carrying every state but Maine and Vermont. His victory launched him into the political fight of his life over his "court-packing" plan by which he hoped to override the Supreme Court's opposition to New Deal legislation.

Roosevelt lost in spite of his enormous majorities in Congress. Only the outbreak of World War II enabled him to win a third term and thus obscure the political defeats that he suffered in his second.

There are more recent, striking examples of "second-term blues." Richard Nixon defeated George McGovern by a margin almost as great as that by which Mr. Reagan trounced Jimmy Carter. This remarkable victory led directly into the Watergate disaster and Mr. Nixon's resignation.

Lyndon Johnson had extraordinary success in serving out John Kennedy's unexpired term, but after his tidal wave swamped Barry Goldwater in 1964 everything

seemed to go wrong. In March 1968 he said he would not run again.

Harry Truman skated to a narrow victory over Thomas E. Dewey in 1948, but his term proved an agony, with Republicans frustrating him at almost every turn.

Woodrow Wilson won his second term by a modest margin, took the country into the war he had pledged not to enter and by the end of his term was a broken man, defeated in almost all his idealistic goals.

The only recent president whose second term did not skirt disaster was Dwight Eisenhower. He won by a landslide (more re-elections than any landslides) and sailed through the second term with no plan by which he hoped to override the Supreme Court's opposition to New Deal legislation.

When re-elected, he had no new agenda for Congress. Both terms were based, essentially, on collaboration and cooperation between a Republican White House and a Democratic Congress — a smooth-working team, by and large.

Wherein lie the pitfalls of the second term? They seem to stem from the political psychology of the White House. A first-term president, whatever his party or philosophy, usually begins to run for his second term the day he is sworn in. He tends to postpone or compromise troublesome issues that might cost him votes four years hence. He uses compromise and conciliation in dealing with Congress.

Once re-elected, particularly if

by a landslide, he tends to go for broke, as Roosevelt did with the court-packing plan. He reorganizes his staff, tightens control and shakes off experienced aides (as Mr. Nixon did), leaving himself more vulnerable to misreading of trends. The landslide second-term president feels that he has been given a mandate for his personal goals, forgetting that he has probably purposely fanned their sharp edges to attract the broadest public support.

No longer a candidate, the second-term, abetted by his staff, has a tendency to "let Reagan be Reagan."

The second-term president has four more years in which to put his mark on history, and tends to throw caution to the winds. He does not perceive, as fellow politicians do, that from the moment of re-election he is a lame duck: He has lost much of the power to reward and punish, an essential ingredient of politics.

If, as in Wilson's case, the opposing party controls Congress, the second-term may head into heavy weather. Truman, in this situation, narrowed his aims but, even so, was often frustrated. Johnson, as skilled a congressional operative as the White House has seen, could not prevail in his own Congress when he persisted in a Vietnam policy that much of the nation opposed.

It is too early to predict the outcome of the Reagan presidency, but the first symptoms of "second-term blues" have begun to show.

The writer is author of the forthcoming book "The Long March: The Unholy Story." He contributed this comment to The New York Times.

Monstrous But Not Impossible

By Edwin M. Yoder Jr.

WASHINGTON — For civilized people, the thought of a plot to assassinate Pope John Paul II for political reasons is too monstrous, or too ingenious, to be plausible. That too ingenious, to the ghastly surprise of reaction to the ghastly surprise of the trial that opened this week in Rome.

Ilario Martella, a respected magistrate, has painstakingly assembled a long and detailed case for the prosecution. It involves a plot that sounds like a Robert Ludlum novel, complete with Turkish mafiosi, dope smugglers, a transnational terrorist outfit called the Gray Wolves and other Byzantine-Balkan plotting. The only missing element so far is a sinister ride on the Orient Express.

And of course, Judge Martella's prize witness, the gunman, Mehmet Ali Agca. On the first day of the trial Mr. Agca, a known liar, shouted from his courtroom cage, "I am Jesus Christ!" — a claim that may safely be dismissed, with much else that he has said since May 1981, as false.

Yet one lesson we need to learn, but have had great trouble learning (or at least absorbing) from 20th century history, is that implausibility is no disproof of the rumors of evil.

Consider Watergate, if only for comic counterpoint. If, instead of merely happening, Watergate had been invented by Allen Drury as part of his ongoing saga of Washington politics, the reviewers would have hooted. Some would surely have hinted unkindly that political novelists are prone to borderline paranoia.

Considered merely as a theory, in the abstract, Judge Martella's reconstruction of the papal assassination plot does have at least one mark of plausibility that Watergate lacked: a clear motive. It is still possible to wonder, after 10 years, what the "plumbers" wanted from Democratic National Committee headquarters. It is not hard to imagine what the Russian or Bulgarian secret services might have wanted out of the death of the Polish pope at a time when the Solidarity ferment was at its height.

The cat-bow about Judge Martella's theory still feels, most of all, on the civilized belief that plotting to kill the pope is so excessive on any known scale of political wickedness as to be beyond even the KGB.

The depressing truth is that certain evils have been planned and carried out in our day not in spite of but because of their outlandish scale.

You can start with the "incredible" fact that between 1976 and their fall three years ago the military rulers of Argentina abducted, imprisoned and, under the "disappearance" of thousands of innocents, without notice or trial. These "disappeared ones" were missed by their loved ones and others, but the cold-blooded cruelty and high-handedness of the procedure seems to have numbed Argentine society to it.

How implausible it must have seemed — and did in fact seem — when Adolf Hitler announced a design to remove millions of European Jews from their ancestral homes to make "living room" for Germans.

Evil designs often benefit from these generous doubts, from these "sane" senses of proportion. Some plots are so megalomaniac, so out of the question as to take on a protective coloration from their very outrageousness. ("Surely they wouldn't do that.") But monstrosity alone is not, on its face, disproof of any scheme.

Nor, of course, is it proof — a point to bear in mind while the trial of the accused Turks and Bulgarians proceeds in Rome. Judge Martella may be wrong; Mr. Agca may be a bigger liar than he is already known to be; the accused may be innocent in spite of their known lies. That is why we have trials. But we may dismiss the cozy belief that some crimes are too brazen to have been contemplated. The luxury of such doubts has vanished, with other forms of innocence, from our century.

Washington Post Writers Group.

LETTER TO THE EDITOR

Nuclear Winter's Lesson

Our common mind is always slow to abandon concepts that have long dominated its thinking when new circumstances render them obsolete.

Recent scientific research has led to the widely publicized conclusion that a nuclear strike by either the superpowers, great enough to disarm the other and thereby prevent or limit retaliation, would meanably bring on a "nuclear winter" — that is, a darkening of the skies (chiefly by dust) and a consequent refrigeration of the climate throughout the Northern Hemisphere and well beyond.

The refrigeration would in turn produce general crop failure, starvation and the consequent extinction of much or most of the Earth's population. It follows that such a first strike would, even in the absence of retaliation, constitute suicide for the society that resorted to it, and perhaps entail the ultimate extinction of all higher life the world over.

These findings are now accepted by leading authorities in the United States and the Soviet Union alike.

In the circumstances, imagine a meeting, at either the Kremlin or the White House, to decide whether to launch a first strike. Whether those who meet are what we regard as virtuous people or as wicked, whether they are followers of Jefferson or of Lenin, they could not collectively take the decision that would put a catastrophe end to all human hopes and aspirations, their own included. (Note that the decision would necessarily be a collective one. Neither head of state has a button on his desktop table.)

It follows that, in present circumstances, the danger we have lived with so long, that of a strategic nuclear exchange, is no longer real. (The

qualification "in present circumstances" takes account of the threat of "proliferation.")

Given the fact that the previous danger of an intercontinental nuclear exchange has now been obliterated by the prospect of a nuclear winter, the continuing competition between the superpowers in capacity for waging a war to which neither could resort, as well as Washington's projected defense in space, cannot be explained by rational strategic considerations.

It can be explained only by (1) the dynamics of bureaucracy, which entail competition among the members of bureaucratic governments to show that they do not underestimate the intentions or the capabilities of a supposedly demonic enemy, and (2) vested interests that, where astronomical expenditures are involved, tend to control the governments themselves.

These entrenched attitudes and interests contribute to preventing any general recognition of the fact that, in the present situation, the previous danger of a great nuclear exchange has disappeared, and that the two sides in the strategic arms race could and should discontinue it. Indeed, because of their common interests they should be working together to deal with the dangers entailed by the prospect of proliferation.

I conclude that, because of the delayed reaction referred to in my opening paragraph, the world has not yet recognized the revolutionary implications of "nuclear winter."

LOUIS J. HALLE, Geneva.

The writer is a former member of the Kennan-Nitze policy planning staff of the U.S. State Department and a retired professor at the Graduate Institute of International Studies in Geneva.

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Monstrous But Not Impossible

By Edwin M. Yoder

WASHINGTON — The U.S. airline deregulation bill, which passed the House last week, is a monstrous but not impossible task. It is a task that will require the airline industry to make significant changes to its operations. The bill is a landmark piece of legislation that will reshape the airline industry as we know it. It will allow airlines to compete more freely, to set their own routes and fares, and to expand their services. This is a bold move that will have a profound impact on the industry and on the passengers who fly. The bill is a testament to the courage and vision of the lawmakers who drafted it. It is a testament to the belief that a free market can bring about the best results for the industry and for the public. The bill is a challenge to the airline industry to rise to the occasion and to make the most of the opportunities that it presents. It is a challenge to the industry to embrace change and to embrace competition. It is a challenge to the industry to provide the best service possible to its passengers. The bill is a challenge to the industry to prove that it can thrive in a free market. It is a challenge to the industry to show that it can be a force for good in the world. The bill is a challenge to the industry to show that it can be a part of the solution to the problems of the world. The bill is a challenge to the industry to show that it can be a part of the future. The bill is a challenge to the industry to show that it can be a part of the world.

AVIATION

A SPECIAL REPORT — PART II

FRIDAY, MAY 31, 1985

Part I Appeared
In Yesterday's Editions

Page 11

Electronic Sales: One-Way Ticket To Industry Bias?

By Joan M. Feldman

WASHINGTON — When U.S. airline deregulators laid plans in the mid-1970s, some thought was given to the danger of "concentration." That term generally meant that four or five large carriers could wind up dominating routes in the United States, with no room left for small, enterprising companies. It was a matter of debate, but the notion was dismissed as not important enough to stop deregulation.

Little thought was devoted to potential domination by a few carriers through electronic marketing. Yet, it is the concentration of power through the use of computer reservations systems that many people think is the greatest threat to U.S. airline deregulation.

Airlines long have used travel agents to distribute tickets, considering it was cheaper to pay commissions to agents than to use their own, highly paid personnel. Agents quickly became responsible for the majority of airline ticket sales.

But travel agents are now more than simply ticket distributors. In the competitive drive to sell seats to the high-margin, frequent-flying business traveler, United Airlines and American Airlines particularly have spent millions to gain travel-agent loyalty. Bigger, commercial agents (i.e., those concentrating on business travel) get incentives to push one airline over others. American Airlines' Sabre and United's Apollo systems are the means by which the airlines cement that loyalty.

American spent at least \$200 million and United \$150 million on computer reservations systems. For that, they have cornered 49 percent and 31 percent, respectively, of ticket sales through automated travel agencies. The other four computer systems have 20 percent.

Around 70 percent of U.S. agents are automated, accounting for at least 90 percent of total airline sales.

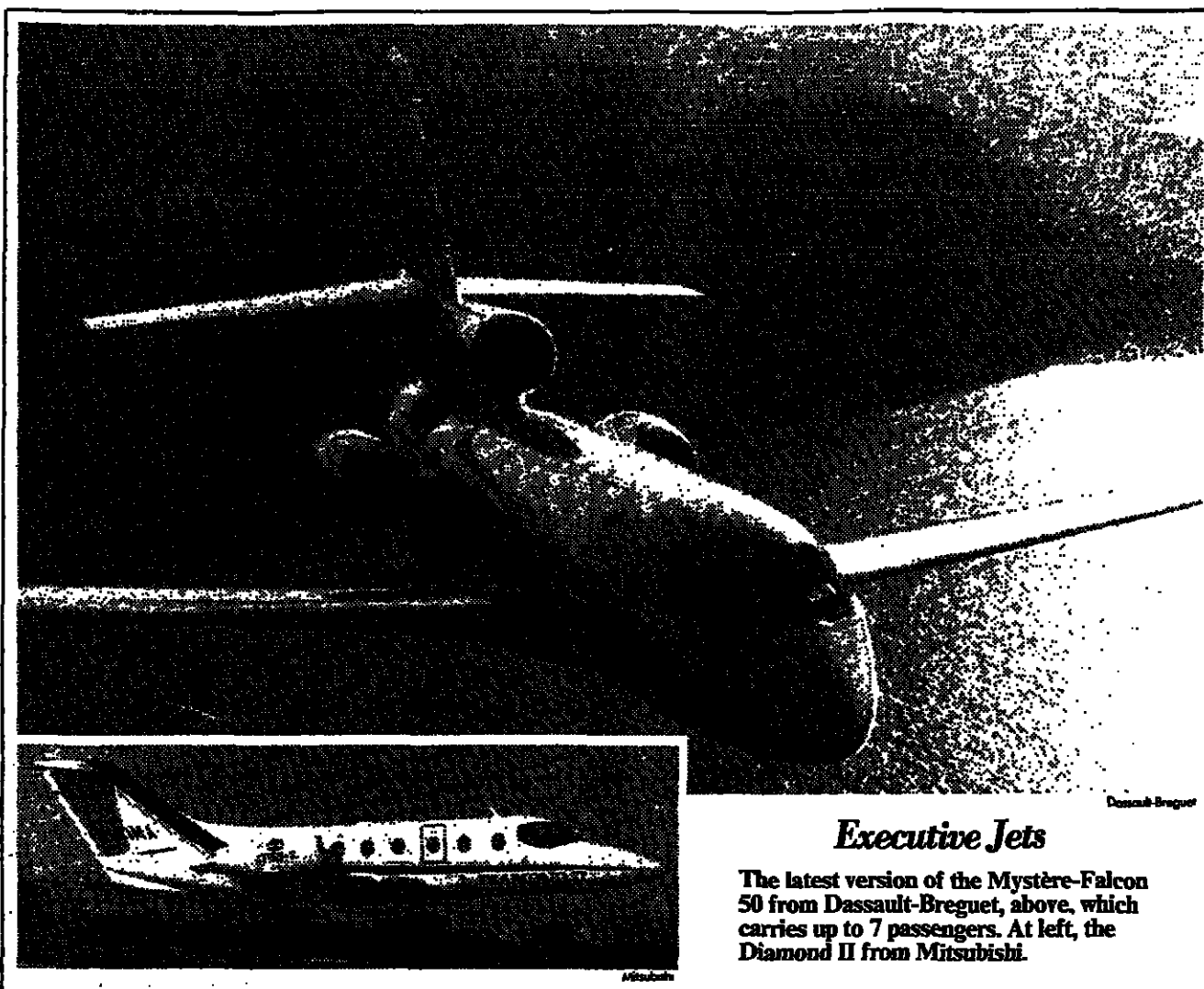
In the past, airlines sometimes kept competitors out of their systems totally, even when the latter wanted to pay access fees. Also, different airlines often paid different fees, depending on how much competition or exchange of business was involved. Still, despite such discrimination, airlines without systems had little choice. Except for carriers such as People Express, they found it difficult not to join one system or another. They needed access to potential customers.

Last November, the Civil Aeronautics Board, which dissolved itself in January of this year, issued new rules to eliminate access and fee discrimination. Access offered to one carrier must be offered to all airlines; fees are now the same for all lines. No one expected these rules and others issued at the same time to cure bias. They didn't.

In fact, the minute the rules were effective, United pressured agents to use its Sabre computer display. The CAB had said the first display screen could not be biased against competitors' flights, but it said nothing about others. Airlines reported a big jump in ticket sales from those alternative screens.

Complaints finally became so great that, after a Senate hearing in March, United agreed to give up its biased alternative display. American and TWA quickly followed suit. Eastern and Delta, which had not adopted the tactic in the first place, said they would not try it in the future.

Discrimination, though, is not dead. There is still primary-display bias. Small airlines now complain about paying the same fees as big airlines for the same service. (Continued on Page 13)



Executive Jets

The latest version of the Mystère-Falcon 50 from Dassault-Breguet, above, which carries up to 7 passengers. At left, the Diamond II from Mitsubishi.

International Airports Rated for the Fuss Factor

By Ronald Katz

PARIS — In mid-May, while the British government continued to haggle over proposals to add capacity at Heathrow and Stansted airports, the supervisors of Amsterdam's Schiphol Airport quietly unveiled their own expansion plan. Ambitious for a small country, the project calls for \$400 million in

improvements over 10 years. It includes renovation of the airport's third pier, addition of a fifth pier and installation of a new automated luggage sorting system.

Schiphol's optimism is reflected in its high standing with the public. Polls taken in Europe and the United States by the International Airline Passengers Association, a worldwide frequent-flyers organiza-

tion, rated the airport first among international air terminals for comfort and convenience. Similar findings were reported in a 1984 readers' survey conducted by The Business Traveler, a British publication.

Opinions differ as to why Schiphol consistently ranks so high. The Dutch minister for transport and public works, Neelie Smit-

Kroes, says the airport is "particularly congenial to passengers" primarily because it is run by an independent company, "the best guarantee of high standards." (In fact, the state owns 76 percent of the shares in Schiphol, although a board of supervisors has the principal say on management decisions.)

But airport ratings are a complicated affair, and Schiphol's high marks may result from a convergence of factors: its small size, lack of congestion, natural light and broad selection of duty-free shops, offering more than 40,000 separate items at prices said to be the most reasonable in Europe.

Answers to the IAPA questionnaire suggest that travelers have a strong preference for airports that move them out with a minimum of fuss. The four points receiving most attention from respondents were quick baggage claim (63 percent), fast and easy check-in (44 percent), rapid customs clearance (40 percent) and ease of changing planes (31 percent).

Schiphol apparently did well across the board, but it specializes in cutting down the time required to change planes. One-third of Schiphol's 10.9 million passengers in 1984 were transfer passengers, putting down at the airport on their way to other destinations. A Schiphol spokesman claims the average (Continued on Next Page)

Unclear Skies: Is Deregulation Taking Its Toll?

By Douglas B. Feaver

WASHINGTON — The U.S. airline industry, having survived dramatic fuel price increases, fare wars and a major air traffic controllers' strike, is finally getting to the question of finding the survivors in the era of deregulation.

George James, a Washington economist who follows the industry closely, predicted in a recent interview that the long-expected shakeout of U.S. carriers is beginning in earnest and said he expects some contraction in the industry.

In 1984, he noted, "four carriers posted two-thirds of the total industry operating profit," which left one-third for everybody else. Those four were United, American, Delta and USAir, a once-tiny regional that now plays in the big leagues despite not owning a single jumbo jet.

Beyond saying that a shakeout is under way, however, neither Mr. James nor anyone else is willing to predict exactly who the players will be or how strong they will be, five years from now.

There are a number of confusing developments. For example: • Airline passenger traffic is setting records every month, which should make industry leaders happy. Instead, they are worried that late-spring price battles are not bringing real growth, but are simply encouraging travelers to fly now, not this summer.

• The inability of the deregulated airlines to automatically pass through labor costs in the form of fare increases has had a devastating effect on the incomes of airline employees and brought strikes to two of the biggest U.S. names, United and Pan American World Airways.

• The U.S. industry as a whole earned record revenue in 1984, about \$44 billion, but its operating profit of just over \$2 billion was heavily diluted by interest on debt and other nonoperating expenses to produce a net of only \$800 million, or 1.8 percent.

• The best-known U.S. carrier on the international scene, Pan Am, sold United its birthright, its routes to the Pacific. That \$750-million deal, if approved by President Ronald Reagan, will be the

biggest dollar transaction in U.S. aviation history. Wall Street analysts think the deal should intensify competition, and thus contribute to lower fares, for passengers crossing both the Atlantic and the Pacific.

The transaction should solve Pan Am's money problems and help it concentrate on developing transatlantic and South American markets. United will get the routes it has long coveted across the Pacific, and it has a strong domestic network to feed international gateways at Los Angeles, San Francisco and Seattle.

Pan Am is planning to build up its European hub at Frankfurt, extending flights into East Europe and even engaging in preliminary discussions to re-open direct flights between the United States and the Soviet Union, which were discontinued by Mr. Reagan in 1981 in response to Soviet pressure on Poland.

Freed from having to worry about developing a domestic market in the western United States to feed its Pacific routes, Pan Am is concentrating on building Atlantic Coast gateways. It has firmed up its hubs at New York's Kennedy Airport and at Miami, and just started a major expansion at Washington's Dulles, complete with a promotional fare of \$199 to Frankfurt.

Pan Am is now but one of many U.S. airlines playing the Atlantic, however. The combination of deregulation in the United States and a spate of renegotiated bilateral aviation treaties has significantly expanded service.

In 1977, the last year before U.S. deregulation, 12 million passengers flew between the United States and Europe. In 1984, the number was 17.7 million, a 47-percent increase, according to the U.S. Transportation Department. In 1977, scheduled airlines flew from Europe to 11 gateway airports in the United States. Now there are 21 gateway airports. In 1977, the Atlantic was flown by three U.S. carriers and 18 European airlines; last year, there were 10 U.S. airlines and 32 European carriers.

Pan Am's Atlantic expansion, aided in part by a major purchase (Continued on Next Page)

Class — Economy, Business or First — Is a Matter of Detail

By Roger Collis

ANTIBES — Positively the most comfortable way to travel, at least on short European flights, is to acquire a seat in row 30 in the economy class cabin of Air France Airbus. For the uninitiated, this is the eight seat across configuration by the emergency exits in the middle of the plane. It is the first row of the smoking section, you have more leg room than first class on a trans-Atlantic flight. You may even get a free drink, depending on the route.

The bad news is that the rest of the economy seats seem to have been designed with package tours of midgeets from Ringling Brothers in mind. But you can always trade up to a business class,

where you get more leg room in a "dedicated" cabin, a glass of champagne and a snack. This will cost you about 20 percent more than the full economy fare and up to 90 percent more than a promotional ticket. Not really worth it between London and Paris.

Flying from New York to London on another airline, the passengers in business class (eight seats across configuration in a Boeing 747) finished their meal loaded up with free drinks and went to the back of the plane where they spread out to sleep on four seats in the center. They were probably nearly as comfortable as the folks in first class in their fully reclining sleeperette seats. But first class on that flight costs 57 percent more than busi-

ness class, which costs 56 percent more than full economy, which costs 108 percent more than the lowest promotional fare. In other words you could have five round trips in economy (albeit hedged with restrictions) for the price of one first-class ticket. Make that seven if you compare with Concorde. The really savvy traveler would do best to buy an economy ticket, a magnum of Dom Perignon and a large tin of Beluga caviar and picnic in style in the back of the plane.

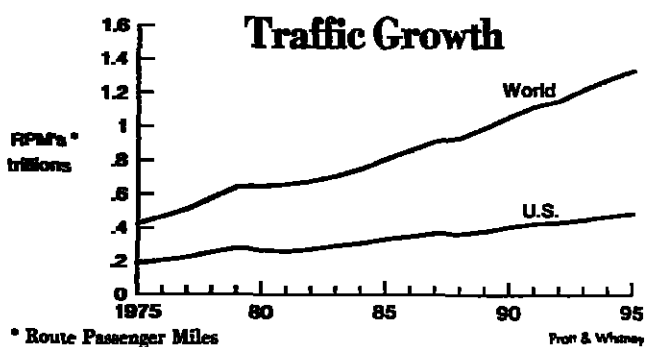
What these examples illustrate is that, unlike most products and services, value for money in air travel bears no relation to how much you pay. Value for money is a function of three main criteria, price, comfort and service.

Price bears no relation to distance traveled, as we all know. And there are more different fares than possible moves in a game of chess. Comfort is really a matter of seat pitch, which can vary widely by airline and class. And service, which, give or take a few falls, like electronic headsets, toilet packs and carphones, is down to how much free champagne you can drink between Europe and Houston.

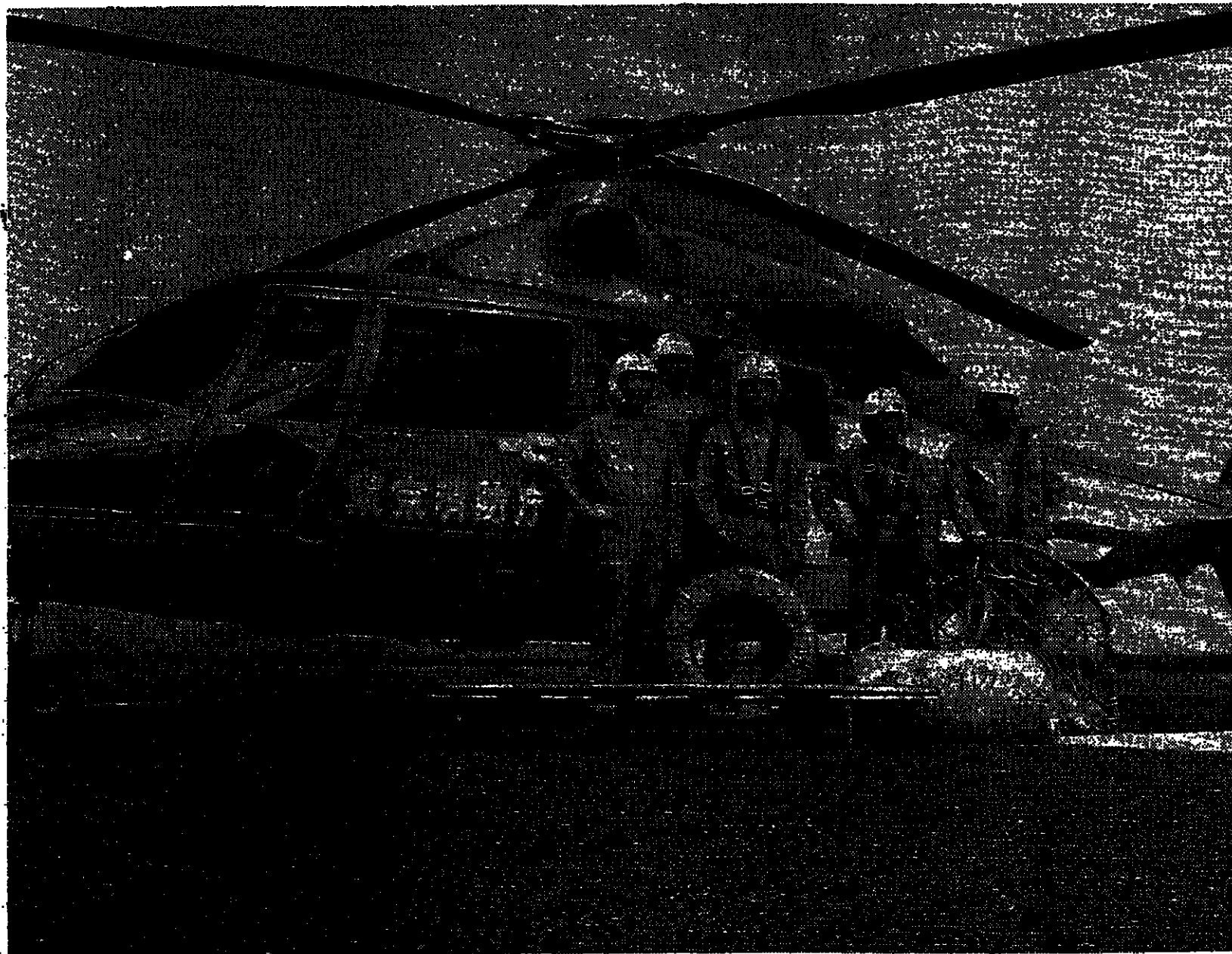
A bewildering array of options for the air traveler began to emerge eight years ago when business class began to be introduced, with the demise of first class on many short-haul routes and the burgeoning of discount (promotional) fares. (Today, only (Continued on Next Page)



Intense competition for the executive dollar.



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A SPECIAL REPORT ON AVIATION

People Express Revs Up for Cheap Flights to the Continent

WASHINGTON — People Express plans to fly to continental Europe this summer, but when that will be, and to which country or countries, has yet to be determined. No matter. When the rapidly growing U.S. airline started service to London two years ago, it operated its first flight the same evening it received British authority.

Ever since the airline started flying, in April 1981, its actions have been the focus of much attention. Rival airline executives in the United States and abroad spent a lot of time trying to counter its low costs and low fares. Its rapid expansion in 1984 and its resulting losses have been the subject of I-told-you-so's within the industry and disapproval on Wall Street.

People Express is tempering its U.S. domestic growth this year, but it has ambitious international plans. The company has filed route applications to fly to Zurich, Brussels, Luxembourg, the Netherlands, West Germany and Ireland. It already had on file requests to add London-Stansted and/or Manchester to its London-Gatwick service. It wants to serve Canada, too. How much of this will come about depends on governmental approval, availability of planes and the airline's finances.

In the United States, airlines such as American, Northwest, USAir and Republic have reacted to People Express's low fares. When People Express changed strategy, from serving uncompetitive markets to major points, the other lines countered. American Airlines even created an entirely new discount program to threaten People Express and other low-fare operators. And, as People Express has discovered, if there is only a small difference between its fares and those of bigger airlines offering more services along with frequent-flyer bonuses, travelers often select the bigger line.

Despite the fare competition, People Express will become a billion-dollar company this year. Revenues were almost \$600 million in 1984, which was more than double 1983's total. By year's end, the line will be the ninth largest in the United States in terms of available capacity. By mid-1986, it will have 80 airplanes, including eight B-747s, 50 B-727-200s and 22 B-737s. It serves 35 cities, and may add a few more U.S. points this year. It has 4,000 employees, including 1,300 hired in 1984 alone.

This rapid growth had its price. People Express lost money in the last quarter of 1984 (\$11 million net) and in the first quarter of 1985 (\$18.8 million net), the first losses since the first quarter of 1982. The break-even load factor, the percentage of seats that must be filled to break even, soared to 74 percent. Its stock price plummeted. That, in turn, affected employee morale. Employees, whose wage rates are at least half industry standard, are partly compensated by ownership of stock, which is supposed to appreciate.

The company has tried to right itself. It raised fares where it could. It is using both equipment and personnel more productively. As a result, People Express reports, the break-even load factor dipped below 60 percent by May 1. A revamped reservations system will handle more calls, thereby eliminating the clogged phone lines greeting potential customers. The airline may offer a frequent-flyer program. It wants to attract business passengers whose loyalties swing to whichever airline offers the best bonuses. People Express also

has \$33 million more in its coffers, since a recent stock offering was oversubscribed.

Foreign destinations, with their higher profit margins, are attractive. People Express filled 84 percent of its seats to and from London in April and it wants more British flights. As other airlines have found, foreign routes make up for a lot of domestic problems. Based on that, People Express filed its flurry of route applications. It would have an easy time starting service to the Benelux countries, because of liberal route agreements. But there are other considerations. Switzerland, for example, offers the possibility of year-round aircraft utilization. Ski season could be a peak operation. The Swiss government, though, is not enthusiastic about low fares. People Express is hoping Swissair's desire for more U.S. routes will help its case.

Whatever continental European destination People Express selects, it must wait until at least July. It has four B-747s, all of them now used for flights to London and the U.S. West Coast. Its next B-747 does not arrive until then.

—JOAN M. FELDMAN

Class: Economy, Business or First Turns Out to Be a Matter of Detail

(Continued From Previous Page)

a few carriers, such as Lufthansa, Swissair, Austrian Airlines and Iberia offer first class within Europe.

The idea was to reward executives who pay the full economy fare with a separate cabin and a more distinctive service such as more cabin attendants, free champagne, priority check-ins, executive lounge and so on.

At least, that was the idea. But in many short-haul flights, business class is nothing more than a curtained-off section of the economy cabin plus a free drink.

And for this you can pay a surcharge, depending on the route traveled as well as the airline.

Okay, you'll say, I'll fly economy. But many airlines have done away with the full economy fare, forcing travelers who want an unrestricted ticket to pay a premium to go business class.

Economy cabins are often reserved for discount travelers. SAS and Swissair are at least two honorable exceptions to this practice, having kept excellent standards of service and comfort in the back of the plane.

Intense competition for the executive dollar has meant that business class has become the issue for the airlines advertising wars. (The full-fare paying passenger accounts for an average 40 percent of airline seats and perhaps 60 percent of revenue.)

Even the term business class comes in a variety of exotic and skillfully confusing names. Take

your pick from Pacific Super Executive, Marco Polo, Clipper, Gold, Galaxy, Navigator and Preference Class.

You have to figure out, for example, that TWA's business class is called Ambassador, not to be confused with Royal Ambassador, which is first class. British Airways has Super Club for trans-Atlantic 747 services and just Club on other long-haul and European routes.

First-class passengers can sometimes come off second best. British Airways, which claims to have the "widest seat in the sky" at 24 inches (61 centimeters) in Super Club, offers a miserly 21 inches in first class. Seat pitch can vary by as much as six inches on the same plane from one airline to another.

In Europe, Olympic holds the record with 39 inches, while Finnair, Iberia and Malaysia Airlines score best on intercontinental routes with 42 inches in business class. Seat pitch can go up to 62 inches in first class.

Across the Atlantic, both British Airways and Pan Am offer free helicopter transfers between Kennedy Airport and Manhattan for first- and business-class passengers, while British Caledonian has a free limousine service within a 40-mile (65-kilometer) radius of Manhattan and Gatwick for its recently inaugurated London and New

York flights. TWA enables its passengers to leave their baggage at a special counter and walk to departure lounges as they have been checked in up to 28 days in advance.

Malaysian Airways has a free left luggage facility at Kuala Lumpur for first-class passengers, and on Australia bound services, they throw in a free room and a welcome drink at an airport hotel between connections.

SAS will store your winter clothes if you are leaving for somewhere hot from any Scandinavian airport. And Swissair has a travel assistance card for handicapped people and those with a language problem at any destination.

On board, all airlines offer free drinks in business class, but Air New Zealand, Alitalia, Cathay and Lufthansa make you pay for champagne. Singapore Airlines, noted for its in-flight catering, provides only one executive toilet on its

Which Airline Would You Choose?

The International Airline Passengers Association surveyed its members last year to find out, among other things, which airlines they preferred.

Of the more than 93,000 members surveyed, about 20 percent responded by November — 10,059 in North America and 9,072 more abroad.

In general, members are high-frequency air travelers who travel for business and pleasure. They are predominantly male, highly educated, many are professionals, and most are in middle to high income brackets. Here are their top five choices and the airlines they choose to avoid:

Preferred Airlines	Total
Swissair	40.1%
Lufthansa	27.5%
Singapore Airlines	26.4%
British Airways	21.8%
KLM	20.4%

Avoided Airlines	Total
British Airways	15.8%
Pan Am	12.6%
Alitalia	12.1%
Aeroflot	11.1%
Saudia	8.2%

747s, compared with five on SAS. Business- and first-class passengers on most airlines get priority check-in, hot towels, slippers, eye shades and toilet kits on long-haul flights.

Air New Zealand offers a cabin bag, a scarf for women and a tie for men. South African Airways gives perfume, and Air Lanka, a packet of assorted tea, in business class and in first class. Some airlines

such as Malaysian, Pan Am, Qantas, SAS and Singapore have on-board mailing services.

Naturally, every airline claims to be the best restaurant in the sky. It is arguable whether the experienced traveler takes much notice of these frills. Getting there is the priority.

The only time I flew Concorde for a crucial meeting in New York, I was too full of anger and champagne to enjoy the trip. My companion in the next seat, asked for a glass of mineral water and went to sleep. Now that's what I call class.

Airports: The Fuss Factor

(Continued From Previous Page)

transfer time is only 40 to 50 minutes, because distances between planes are short and schedules of incoming and outgoing aircraft are carefully coordinated.

It is noteworthy that both Schiphol and Singapore's Changi Airport, which ranked second in the association poll, are single-terminal airports; both were built by the same Dutch conglomerate, NACO, and both operate on the principle of moving the passenger quickly "from landside to airside." The Zurich Airport, ranked third in the poll, has two terminals, but they are an easy walk apart. Like Schiphol, Zurich's terminals feature excellent rail connections and extensive duty-free shopping facilities.

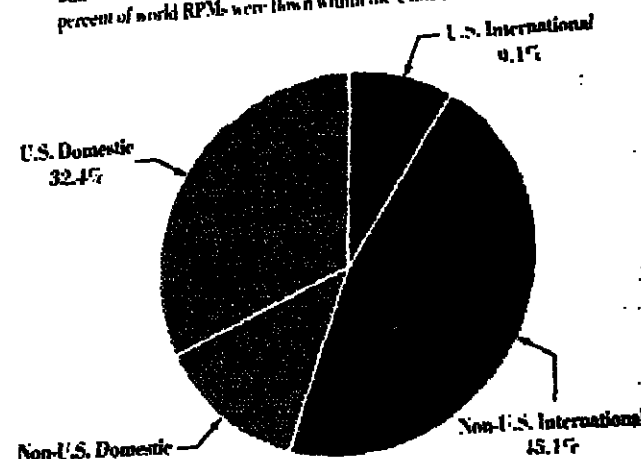
London's Heathrow and New York's Kennedy were rated as the airports "least liked" by IAPA members. Although the reasons for negative ratings are not explained, both facilities suffer from similar problems: multiple terminals, heavy traffic congestion, overcrowded check-in stands and frequent delays in baggage retrieval.

At Kennedy, the transfer between terminals can be particularly trying, since the airport buses run erratically and are frequently full.

Large metropolitan airports seeking to expand often run into a tangle of political and environmental constraints. Adding a fifth terminal to Heathrow, for example, would mean tearing up an old sewer facility and installing a new one. The Stansfeld alternative has provoked the ire of environmentalists and British Airways officials alike.

U.S. Carriers Fly More

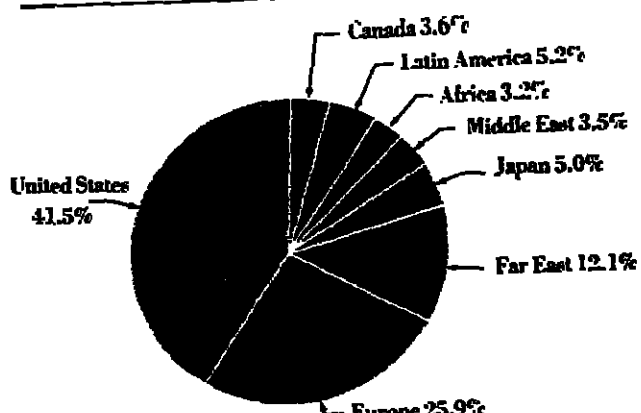
In 1984, world route passenger miles flown totaled an estimated 730.9 billion. U.S. carriers flew 41.5 percent of global RPMs, a total of 30.4 billion. U.S. carriers flew 41.5 percent of world RPMs within the United States.



Service Share

World Domestic 45.8%
World International 54.2%

Note: excludes Soviet Union and nations outside the International Civil Aviation Organization, but includes Taiwan.



Source: Boeing, Current Market Outlook, February 1985

Is Deregulation Taking Its Toll?

(Continued From Previous Page)

of new airplanes from Airbus Industrie, has made some government-owned European carriers nervous about their ability to react swiftly to competitive moves by Pan Am, a French official said recently.

The major question is whether the fare deflation that deregulation has caused in the United States and across the Atlantic will be extended to the more closely controlled European markets.

But it is the Pacific, not the Atlantic, that is regarded as the fastest-growing potential market for international airlines. The United States has been losing market share to carriers from Japan, China, Singapore and Korea, among others.

Domestically, United and American remain in heated competition, with Delta and Northwest close behind.

Continental Airlines appears to be developing a strong western-oriented presence since filing for bankruptcy in 1983, but Braniff has not come back and the jury is still out on Eastern, Western and Republic Airlines.

Trans World Airlines, the leading North Atlantic carrier, finds itself facing both unsolved labor problems and a takeover threat just as it appeared to be turning the corner.

In addition to the financial issues, domestic airlines also face the problem of working out with the government a method of allocating access to busy airports that are already full during prime time. That question suggests some type of regulatory approach, and, as Mr. James said, means that re-regulation and consolidation are racing to see which will become the dominant trend.

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Air Express Firms Take Off as Need For Speed Arises

WASHINGTON — The increase in business competition worldwide, plus the trend to a just-in-time inventory philosophy, has sharpened demand for reliable, rapid delivery of small parcels and documents, meaning rapid growth for the air express business.

DHL, the international express company, estimates the size of the air express market for small packages at almost \$5 billion: \$3.6 billion in the United States and \$1.2 billion internationally. Federal Express alone became a \$1-billion company in 10 years of operation. It is expected to nearly double that in this, its 12th operating year.

Federal's highly successful door-to-door, integrated air and ground delivery system was bound to bring competition. There are now five other substantial small-package, air express entities in the United States: Emery Worldwide, Airborne Freight, United Parcel Service, Purolator Courier and the U.S. Postal Service.

The phenomenon is not limited to the United States. DHL was founded 15 years ago as an international courier. At that time, cour-

iers were uniformed personnel carrying attached cases chained to their wrists on board international airline flights.

DHL is still the largest international company, but it no longer is simply a courier. It, too, considers itself an express firm and now carries shipments up to 70 pounds (31.7 kilograms). In fact, it often has no on-board courier at all, but simply sends shipments in airline bellies with its own personnel at either end.

Just as with Federal Express in the United States, DHL no longer has the field to itself. Its competitors include not only traditional international couriers such as TNT Skylink, but also Federal, which is starting its own trans-Atlantic operations in mid-June, and Emery, which began daily service to Amsterdam and Manchester, England, in May.

United Parcel Service, a \$6-billion company, has purchased more than 70 aircraft in the last two years and expects to be operating in Europe, too. European airlines such as Lufthansa and Air France are of-

fering their own versions of door-to-door small package service.

The competition for trans-Atlantic business is such that the DHL Airways president, Joseph Wachter, said volume shippers can pay as low as \$20 a package. That matches the individual two-day rate within the United States and includes the complex problems of international customs clearance. DHL is adding services such as company-provided packaging and more sophisticated tracking.

What once was deemed a miracle — overnight delivery of packages

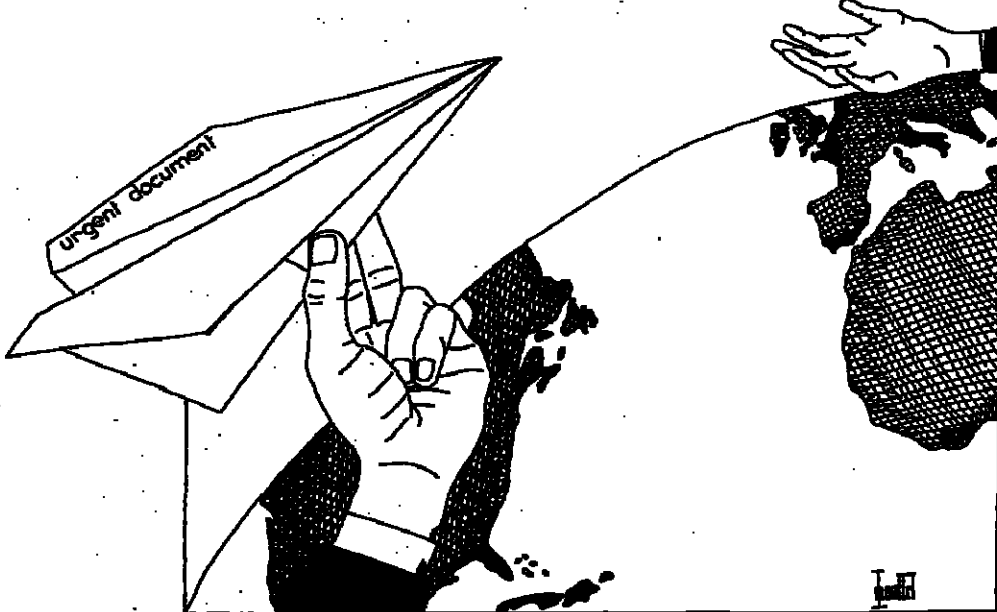
— is now routine. So routine, in fact, that one Purolator official said, "There is no such thing as an emergency" — not when a shipper can pick among several reliable vendors. Same-day deliveries are now the new "emergency," a Hewlett-Packard shipping manager said.

Because air express in the United States is so widespread, the service has become more sophisticated. There are the usual volume discounts for big shippers, of course, but in the first few years of overnight service, too many people used

the system and transportation charges zoomed. So express companies are now tailoring deferred-delivery programs so that shippers still get fast service, but not at an unnecessarily high cost.

Ever-earlier delivery times are another competitive tool. What once was a noon standard then became 10:30 A.M., and now is 9 o'clock in some U.S. downtown areas. Federal provides big customers with the hardware necessary for pre-programmed electronic billing and performance reports.

— JOAN M. FELDMAN



Troubled Air Afrique Seeking Passage from Crisis to Profit

By Howard Schissel

PARIS — As it approaches its 25th anniversary next year, Air Afrique, the continent's only multinational airline, finds itself at a crossroads.

In an atmosphere of financial crisis, the company's 10 member states — Benin, Burkina Faso, Central African Republic, Chad, Congo, Ivory Coast, Mauritania, Niger, Senegal and Togo — must choose a replacement next month for the Ivorian chairman, Aoussou Koffi.

Air Afrique's newly designated chief executive, Alexandre Ikonga, a former Congolese foreign minister, will have to come to grips rapidly with a difficult situation and provide the leadership necessary to enable the airline to face the challenging times ahead.

Because of its unusual corporate structure, Air Afrique must cope with unusual problems. Each of the African members has a 7.2-percent equity holding, while Sodeair, a firm owned by the private French carrier, Union des Transports Aériens (UTA), and a French government agency, hold the remaining 28 percent.

Air Afrique management must thus contend with the complex political realities of French-speaking Africa as well as with the often ambiguous nature of French-African cooperation agreements. Political rivalries have resulted in Air Afrique losing over the last 15 years two of its most dynamic markets, Cameroon and Gabon, both of which set up their own national flag carriers.

Although it has expanded services into the English-speaking countries of West Africa, Air Afrique has not been able to widen its membership outside the francophone area. Many of the company's members are among the world's poorest states and have great difficulty meeting their financial obligations to Air Afrique.

The economic slowdown affecting many of its members has severely cut into traffic-growth projections. Moreover, soaring jet fuel costs, between 20 and 35 percent

more expensive in African capitals than in Europe or North America, has taxed the airline's operating budget.

Air Afrique's multinational personality often complicates operations. It must, for example, assure certain flights, especially to the hinterland, which are unprofitable and maintain a larger than necessary staff in order to employ a sufficient number of nationals from each member country.

"Air Afrique's multinational character is both a strength and a weakness," Mr. Koffi said.

"In commercial aviation, it is a plus to possess traffic rights in 10 countries," he added. "Yet, it is a weakness because few states really consider Air Afrique as their own national airline that ought to be protected from outside competition."

All these factors combined to turn profits of the 1970s into the negative balance sheets of the early 1980s. When an initial austerity program failed to yield results, the airline's financial situation deteriorated to crisis proportions.

The most serious problem was the growing arrears of member states, estimated at more than 300 million French francs (\$31.6 million) at the end of 1984.

The operating deficit in 1983 reached 68 million francs, and initial projections peg it almost twice as high for last year. In total, the airline's debt, mostly the result of an ambitious fleet modernization program, now stands at an alarming 2 billion francs.

When Mr. Koffi tried to put serious belt-tightening measures into effect last year, a strike broke out among pilots and flight engineers. Salaries were trimmed and other advantages cut back, while streamlining of procedures raised the staff's work load.

With airline operations interrupted by the work stoppage and no negotiated issue in sight, the management decided to temporarily hire new crews, notably from Yugoslavia.

Employees, for their part, lashed out at slack government procedures like the 150 million francs in free

tickets issued in 1983 and other extravagant expenditures.

Last spring, a summit conference in Lomé, Togo, of leaders from the 10 Air Afrique members agreed on a recovery plan. It was announced that almost 30 percent of the airline's staff would be dismissed.

Other reforms included a pledge by members to pay cash in future for tickets issued to government employees on official missions. It was also requested that governments rapidly honor their debt to Air Afrique, but so far only a minority have done so.

Beyond financial matters, Air Afrique will have to do some soul searching to assure its place in West African skies as competition intensifies and the demand for a wider range of services makes itself increasingly felt.

One of the most frequent criticisms leveled against Air Afrique is the relatively high cost of its tickets. The virtual monopoly it has on most of its routes, along with UTA, has largely protected it from the deregulation drive affecting many world air markets.

Certain independent French travel agents have sought to initiate inexpensive charter flights to certain African destinations. Air Afrique has fought back by offering a wider range of discount fares. It is evident, however, that a greater effort in this direction will have to be made during the next few years.

In addition to restoring its somewhat tarnished public image, Air Afrique will have to upgrade the quality and diversity of its in-flight service.

UTA is introducing a special business class this year on most of its African routes, and Air Afrique will probably have to follow suit.

A longer-term issue involves the future French role in Air Afrique. As the Africanizing program progresses, there is likely to be more and more calls to reduce UTA's position as Air Afrique's "big brother."

The present crisis affecting Air Afrique could actually be a blessing in disguise. If properly handled, it could mark the airline's passage from crisis to profits.

Cabin Safety Goes Beyond Fastening Seat Belts

By Bob Burkhardt

WASHINGTON — Do you pay careful attention when your flight attendant demonstrates the emergency equipment, such as oxygen masks and life vests, and points out the location of emergency exits in the aircraft?

You don't? Then you are like almost all air travelers. Once you have heard your second or third such announcement, you just tune out this part of the program. This upsets some flight attendants, who feel that you may be risking your life and other passengers'. A few attendants have been known to slip in gratuitous remarks during their demonstrations, just to see if anybody in the cabin is listening.

Apart from trying to be as helpful as possible, flight attendants say their main responsibility is passenger safety. That means not just clearing away the food trays before landing or making sure that all passengers have their seat belts fastened when the captain orders it, but also knowing where the exits are and how to open the doors. Attendants must know how to deal with panic in the cabin and how to make sure that as many passengers as possible get out of the airplane in the event of an emergency landing.

Attendants are issued a 14-point checklist of procedures in case of a landing emergency. This includes

stowing loose items and sharp objects, adjusting cabin lighting and briefing passengers on assisting handicapped persons.

Air turbulence can shake loose equipment, even poorly stowed baggage, and these unguided missiles can create real hazards for passengers and crew. Cabin attendants have a particularly serious problem in the galley, where even moderate turbulence often sends food carts careening around and doors popping open to discharge food trays.

Emergency landings are often accompanied by fire, as the plane grinds to a stop, sparks flying from a broken landing gear or the wingtips, or even the engine nacelles that hang down from the wings on some aircraft types. These post-accident fires are serious and affect the emergency evacuation of passengers, but what is of more concern to flight attendants are the fires that start in the cabin while the plane is aloft.

These cabin fires can have a number of sources: the electrical system, for example, or smoking in the lavatories, which is forbidden, but often done. The U.S. Federal Aviation Administration recently proposed that airlines install smoke detectors in all lavatories and provide the cabin crews with more effective fire extinguishers.

Since the fire fumes, particularly from burning plastics, can often be highly toxic, cabin attendants also would like to see improvements in cabin ventilation systems. Under consideration are "protective breathing" devices for crew members. Since a fire in the cabin can result in visibility being reduced to the point where passengers and crew are forced to crawl along the floor to find exits, the FAA is working on rules to require airlines to place emergency escape-path markers where they can be seen from the floor level.

Considerable progress is being made in developing flame-retardant cloth for cabin upholstery. The FAA says that by reducing the flammability of materials, the generation of smoke and toxic gases will be reduced.

But flight attendants say much more needs to be done for cabin safety.

While improved fire protection and long-standing issues such as better life jackets are on the list of the cabin attendants, the two most urgent matters are the hours attendants work and a move by the FAA to allow two over-wing exits on some jumbo jets to be removed.

At present, cabin attendants must work as long as their bosses tell them to. This can lead to severe fatigue problems. The Association

of Flight Attendants has pointed out to the FAA that the same principle that says that a fatigued pilot does not operate as well as a rested one applies to flight attendants. In stark terms, they say, "We cannot expect flight attendants who have only five hours of sleep, or who are on the fifth leg of a trip that began at midnight, or who have worked 32 of the last 48 hours to perform ideally in those crucial moments after a crash when they get hun-

dreds of people off a plane before it is consumed by fire."

In the case of the FAA's decision to allow operators of certain Boeing B-747 jumbo jets to remove the over-wing exits, the flight attendants have decided to take their case to the U.S. Congress. They want a law to reverse the FAA decision, which, while it could save the airlines money, "could lead to passengers being trapped in an emergency," they say.

Electronic Sales: Sure Ticket To Bias Toward Passengers?

(Continued From Page 11)

carriers, and no airline likes paying higher fees for treatment that works against it. The result has been the subject of a Justice Department investigation, several hearings on Capitol Hill and lawsuits by several carriers.

Agents initially were neutral parties. But they, also, are under the competitive gun. Their industry was deregulated, ending, among other things, their guaranteed commission. Although many still insist they are neutral, they have signed up for one computer reservations system or another. American and United have given away their Sabre and Apollo hardware and software and thrown in other bonuses to recruit big agents.

Both major airlines demand performance from agents, who then find it difficult to maintain their neutrality. For example, the airlines often display their own flights first, even if they are inconvenient for the customer. They are slow to put competitors' new fares into their systems, allowing them to match prices quickly. Some data never get into the computer.

Some airlines think the only way the industry will ever get neutral treatment is through divestiture of

airline-owned computer reservations systems. More probable than divestiture is still more rules to curb current bias. But the Department of Transportation, now in charge of residual CAB regulation, is reluctant. Such regulations are a contradiction of the administration's anti-government theme.

One solution would be a huge new neutral system that would either include all airlines or at least could rival Sabre and Apollo. Several nonairline companies, among them Visa and Citibank, have been exploring this possibility. But the barriers to entry are great, especially the cost and the hard-won agent loyalty.

The international airline community has been discussing a neutral system, too. The International Air Transport Association set up a working group, which took six months to study computer reservations systems. Now, the association has an "interest group" to develop a plan for an existing system, possibly TWA's. But TWA has said it does not want to sell part of its system, called PARS, unless European airlines eliminate the bias in their own systems. West Germany, in particular, has roused TWA's unhappiness. Bias, in other words, is not unique to the United States.

CONTRIBUTORS

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HOWARD SCHISSEL is a Paris-based journalist who covers Africa.

How Airbus and Ariane have put new heart into our technology.

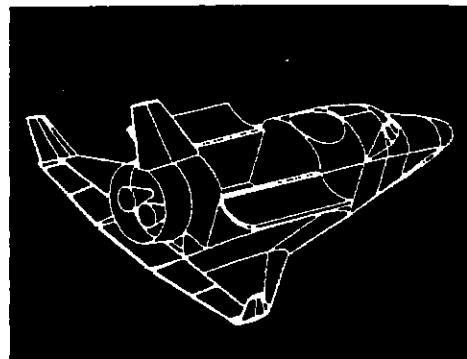


Aerospatiale is proud of its cooperative ventures in aeronautics and space programs: Concorde, Airbus, the Ariane launcher, our Exocet missile systems, not to mention our helicopters where we're the world's leading exporter, or satellites like Meteosat and Arabsat.

Successes like these are more than a demonstration of Aerospatiale's dedication to excellence and our mastery of advanced technologies. They also show our ability to successfully co-operate with our partners. In Europe, in America or anywhere else in the world.

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NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
Scot	2350	2350	2350	0	0
AT&T	2200	2200	2200	0	0
IBM	2100	2100	2100	0	0
GE	1800	1800	1800	0	0
Merck	1700	1700	1700	0	0
Boeing	1600	1600	1600	0	0
Johnson & Johnson	1500	1500	1500	0	0
Amgen	1400	1400	1400	0	0
Novartis	1300	1300	1300	0	0
Glaxo	1200	1200	1200	0	0

Dow Jones Averages					
Open	High	Low	Last	Chg.	
Indus	1264.5	1264.5	1264.5	0	0
Transp	1264.5	1264.5	1264.5	0	0
Comp	1264.5	1264.5	1264.5	0	0
NYSE	1264.5	1264.5	1264.5	0	0
NYSE	1264.5	1264.5	1264.5	0	0

NYSE Index					
Composite	High	Low	Close	Chg.	
Composite	1264.5	1264.5	1264.5	0	0
Indus	1264.5	1264.5	1264.5	0	0
Transp	1264.5	1264.5	1264.5	0	0
Comp	1264.5	1264.5	1264.5	0	0

Thursday's
NYSE
Closing

Vol. of 4 P.M. 10,330,000
Prev. 4 P.M. vol. 9,540,000
Prev. consolidated close 113.48

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

AMEX Diaries					
Advances	Declines	Unchanged	Volume	Price	
Advances	Declines	Unchanged	Volume	Price	
Advances	Declines	Unchanged	Volume	Price	
Advances	Declines	Unchanged	Volume	Price	
Advances	Declines	Unchanged	Volume	Price	

NASDAQ Index					
Composite	High	Low	Close	Chg.	
Composite	High	Low	Close	Chg.	
Composite	High	Low	Close	Chg.	
Composite	High	Low	Close	Chg.	
Composite	High	Low	Close	Chg.	

AMEX Most Actives					
Vol.	High	Low	Last	Chg.	
Vol.	High	Low	Last	Chg.	
Vol.	High	Low	Last	Chg.	
Vol.	High	Low	Last	Chg.	
Vol.	High	Low	Last	Chg.	

Dow Jones Bond Averages					
Close	Chg.				
Close	Chg.				
Close	Chg.				
Close	Chg.				
Close	Chg.				

NYSE Diaries					
Advances	Declines	Unchanged	Volume	Price	
Advances	Declines	Unchanged	Volume	Price	
Advances	Declines	Unchanged	Volume	Price	
Advances	Declines	Unchanged	Volume	Price	
Advances	Declines	Unchanged	Volume	Price	

Odd-Lot Trading in N.Y.					
Buy	Sell	Net	Vol.	Price	
Buy	Sell	Net	Vol.	Price	
Buy	Sell	Net	Vol.	Price	
Buy	Sell	Net	Vol.	Price	
Buy	Sell	Net	Vol.	Price	

Standard & Poor's Index					
Indus	Transp	Comp	High	Low	Close
Indus	Transp	Comp	High	Low	Close
Indus	Transp	Comp	High	Low	Close
Indus	Transp	Comp	High	Low	Close
Indus	Transp	Comp	High	Low	Close

AMEX Sales					
4 P.M. volume	Prev. 4 P.M. volume	Prev. cons. volume	High	Low	Close
4 P.M. volume	Prev. 4 P.M. volume	Prev. cons. volume	High	Low	Close
4 P.M. volume	Prev. 4 P.M. volume	Prev. cons. volume	High	Low	Close
4 P.M. volume	Prev. 4 P.M. volume	Prev. cons. volume	High	Low	Close
4 P.M. volume	Prev. 4 P.M. volume	Prev. cons. volume	High	Low	Close

AMEX Stock Index					
High	Low	Close	Chg.		
High	Low	Close	Chg.		
High	Low	Close	Chg.		
High	Low	Close	Chg.		
High	Low	Close	Chg.		

NYSE Prices Show Small Gain

Compiled by Our Staff From Dispatches
NEW YORK — Prices on the New York Stock Exchange scraped together a small gain Thursday, continuing the indecisive showing of the past couple of sessions.

But analysts found some encouragement in the fact that the market was able to hold firm despite weakness in International Business Machines, one of the most prominent blue chips on Wall Street.

The Dow Jones average of 30 industrials, down 45 Tuesday and up 1.46 Wednesday, rose 2.80 to 1,305.78.

Volume on the New York Stock Exchange stepped up to 108.76 million shares from 96.54 million the day before. The NYSE's composite index gained .07 to 108.73. Advancing issues held a slight edge on declines.

Analysts said that investors still were busy considering the complicated potential effects of President Ronald Reagan's tax-reform proposal and its chances for passage in Congress.

Keith Herrell of Drexel Burnham Lambert said that confusion about the impact of Mr. Reagan's tax proposals may have helped to curb activity. But he said he was "encouraged" by the market's late surge.

Before the market opened, the Commerce Department reported that the Index of Leading Economic Indicators dropped 0.2 percent in April. At the same time, however, the department revised the index reading for March, first reported as a 0.2-percent decline, to a gain of 0.1 percent.

Analysts said the numbers contained no great

M-1 Surges \$4.5 Billion

The Associated Press
NEW YORK — The narrowest measure of the U.S. money supply — M-1 — jumped \$4.5 billion in mid-May, the Federal Reserve Board reported Thursday.

The Fed said M-1 rose to a seasonally adjusted average of \$582.3 billion in the week ended May 20 from \$577.8 billion the previous week. M-1 includes cash in circulation, deposits in checking accounts and non-bank travelers' checks — money most easily available for spending.

For the latest 13 weeks, M-1 averaged \$574.8 billion, a 9.7 percent seasonally adjusted annual rate of gain from the previous 13 weeks. The Fed has said it would like to see M-1 grow 4 to 7 percent from the fourth quarter of 1984 through the fourth quarter of 1985.

surprises, and did not give any emphatic signal either of serious weakness in business activity or of an impending acceleration of growth.

The Investment Company Institute's report that sales of mutual fund shares reached a record \$9.5 billion in April came as news of some interest to investors. However, a big chunk of that activity was in funds specializing in government securities and municipal bonds.

Some analysts said that the recent tendency of trading to thin out when the market goes down indicates investors are not strongly motivated to sell.

(AP, UPI)

2500 ON THE DOW?

Since 1981, 90% of our "buy" recommendations subsequently advanced with 82% of equities, classified as "short sales", eventually sagging. When our researchers recommended CHRYSLER at \$7, FORD at \$17, and G.M. at \$38, critics assumed we were hallucinating. Whereas moral courage is the rightings of wrongs, creative courage is the discovering of new forms, new symbols, the ability to cut out from fantasy, the "guts" to defy prevailing opinion.

It took courage for C.G.R. when the DOW was dropping under 800, to predict that the "D.J. WILL TOUCH 1,000 BEFORE HITTING 750". At the time, the majority of oracles were bearish.

Even one of America's most prestigious financial weeklies succumbed to the bleedings of bears, writing that the "market seems to be saying its seen the future and it doesn't work". A week later the bull rampaged. Our optimism was vindicated.

Last summer when the DOW wilted under 1100, the "Street" cringed; investors discarded dreams, awaiting the apocalypse. We balked at their timidity, noting... BUY THE MARKET IS ABOUT TO ERUPT VAPORIZING PROPHECY OF DOW.

Within five trading sessions the cherished Average vaulted 87 points; bears were decimated. In our opinion the DOW will hurdle over 1500 enroute to 2500, with corollary gains in secondary and emerging equities. Our forthcoming letter focuses upon stocks poised to place their imprimatur upon the wave of the future, equities that could emulate the success of a recently recommended "special situation" that gushed from \$2 to \$16 in a brief time-span.

For your complimentary copy please write to, or telephone:

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Past performance does not guarantee future results

12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg.

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FRIDAY, MAY 31, 1985

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TECHNOLOGY

Optics May Unsnarl Traffic
On Chip-to-Chip Routes

By DAVID E. SANGER
New York Times Service

NEW YORK — Anyone who has tried to catch a flight at Logan Airport in Boston at rush hour can sympathize with the plight of an electron, trying to get from one computer chip to another.

The winding streets of downtown Boston all feed into a multi-lane funnel at the entrance to the Callahan Tunnel, the only direct route to Logan. By 4 P.M., the funnel usually is hopelessly clogged.

Actually making it into one of the tunnel's two narrow lanes is often no help. There always seems to be an overly wide truck just ahead, hogging two lanes, and traffic at the airport on the other side seems to slow down everything.

Things are not much better for electrons zipping along the narrow pathways of computer chips or hopping aboard the congested "data buses" that connect computer components. Solving the traffic problems is one of the key elements to making computers run faster. Now, under the sponsorship of the Reagan administration's Strategic Defense Initiative, popularly known as "star wars," research is accelerating on so-called optical computers — computers that use light, instead of electrons, to speed communications.

The next step, a technically far more difficult one, would be the development of "fully optical computers," in which data are not only transferred on beams of light, but also processed by separating the light through specialized crystals.

"The basic idea is to use photons rather than electrons, although we don't think these systems will ever be totally independent of electronics," said Henry J. Caulfield, who recently became director of the Center for Applied Optics at the University of Alabama at Huntsville. The university is one of the lead partners in a consortium of industry and corporate laboratories recently organized by the Strategic Defense Initiative office.

Why has the Pentagon so quickly embraced a technology that commercial computer makers have largely ignored?

"The advantage is not only speed," Mr. Caulfield said. "Optical computers occupy less space and power, and could be sent aloft fairly easily." Moreover, they are particularly well-suited for image recognition, the complicated science of detecting the launching of an enemy missile, predicting its path and directing the laser battle stations designed to destroy it.

OPTICAL data communications is not new. For some time, advanced computer and telephone systems have been linked by fiber optic cable. The immediate effort is focused on extending that technology, so that chip-to-chip and circuit board-to-circuit board communications also move at the speed of light.

"The problem with electronics is primarily related to interference," said Joseph Goodman, a Stanford University professor also involved in the SDI project. "Two streams of electrons running nearby influence each other. And engineers spend a huge number of hours routing connections so that some lines don't cross."

Moreover, electrons running through especially thin circuitry, like the micron-wide paths on some semiconductors, actually can damage the circuit, much as a heavy truck batters the surface of a highway.

Photons, however, bear no mass and no charge. They not only have no effect on a neighboring stream of photons, they can literally run through each other. And unlike electronic signals, lightwaves — particularly highly focused lasers — do not require a pre-defined circuit path. "The beauty of it," Mr. Goodman said, "is that the routing restraints disappear."

Research efforts now are focused on the details of converting electronic signals to optic ones, and then back to electronic signals, with no significant loss of speed. In chip-to-chip communications, for example, silicon photo diodes or photo transistors would be placed on a semiconductor.

Others Consider
TWA Bid

Eastern, Union
May Face Icahn

The Associated Press

NEW YORK — Eastern Airlines and a union representing pilots have emerged as potential suitors for Trans World Airlines, which is fighting a hostile bid by Carl C. Icahn.

Harry Hoaglander, chairman of the TWA council of the Air Line Pilots Association, said Thursday that his group had offered to discuss an employee buyout of TWA with management but that it had received no reply.

Eastern said Wednesday that it was considering making a friendly takeover bid.

David Venz, a spokesman for TWA, said that the airline was "open to entertaining a lot of various proposals," but he refused to say whether it was considering a takeover bid.

Mr. Icahn heads an investment group that owns 25 percent of TWA stock and has bid \$600 million, or \$18 a share, for the rest.

TWA stock closed at \$18.625 a share Thursday on the New York Stock Exchange, down 25 cents from Wednesday.

TWA's directors voted Tuesday to look for new bidders to get a better price. However, if no better offers emerge in the next 60 days, TWA said that it would submit Mr. Icahn's offer to a shareholder vote if certain conditions are met.

Mr. Hoaglander said "we're ready, willing and probably able" to put together a leveraged buyout proposal for TWA. In a leveraged buyout, the purchaser borrows money to finance most of a takeover and then either sells assets of the acquired company or taps its operating profit to pay back the loans.

Mr. Hoaglander said that the 3,200 TWA pilots offered last week to talk with management about an employee-ownership plan. But he said that there had been no reply in the eight days since the proposal was made.

"At some point they've got to get back to us before we lose interest," he added.

U.S. Oil Companies Drastically Cut
Number of Gasoline Service Stations

By Lee A. Daniels
New York Times Service

NEW YORK — Atlantic Richfield Co.'s recent decision to dispose of 2,000 gasoline stations is but one dramatic sign of the transformation under way in U.S. gasoline retailing, a trend that is changing the way that most Americans buy their gasoline.

For the millions of motorists who traveled U.S. roads during last week's Memorial Day holiday, only 130,000 outlets were available that sold gasoline and automotive products primarily, down from 220,000 in 1970.

While traditional service stations were closing by the thousands, the number of convenience stores offering gasoline with other, unrelated products, increased during that 15-year period to 55,000 from about 15,000.

Moreover, the preference among motorists for self-service pumps, which costs several cents per gallon (3.78 liters) less than full-service pumps, now is well entrenched. Self-service pumps account for more than 70 percent of all gasoline sales in the United States.

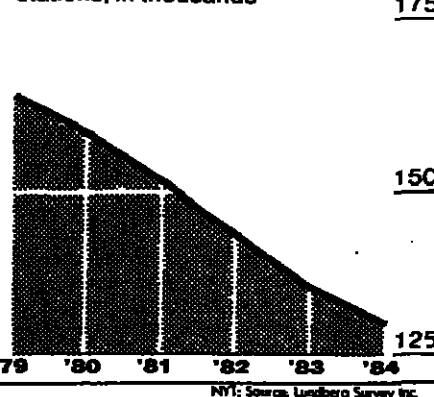
"Every company is fretting out its marginal and uneconomic stations," said Sanford I. Margoshes, an analyst with Shearson Lehman Brothers.

Indeed, the overall number of gasoline outlets also is expected to continue to decline. Because of slight profit margins, new self-service outlets will fall far short of replacing the traditional stations that will close, analysts said.

Some consumer advocates and dealers warn that as the overall number of gasoline outlets shrinks, motorists in some parts of the United States could have difficulty buying gasoline and obtaining servicing for their cars.

The problem already exists around Elmira, New York, according to Ralph Bombardier, president of the New York State Association of Service Stations. There were 114 stations in the area in 1976, he said. Now there are 54, only 12 of which are full-service.

U.S. Service Stations
Total number of domestic service stations, in thousands



The shrinking number of outlets also could result in higher prices at the pumps, even those that are self-service, according to dealers and consumer spokesmen.

Last month's announcement by Atlantic Richfield was unusual only in the number of stations affected. Arco operates 2,011 outlets in 12 eastern states and the District of Columbia.

The Los Angeles-based company said that the changes were part of a broader company restructuring that will concentrate Arco's operations entirely on the West Coast.

In recent years, companies such as Exxon Corp., Mobil Oil Corp. and Sun Co. have abandoned cities, states and entire regions in response to both broad trends in the world crude-oil market and the long-term decline in gasoline consumption.

"In the 1960s and early 1970s, the goal was to be in all 50 states," said Jerry Schenke, director of marketing for the American Petroleum Institute. (Continued on Page 17, Col. 1)

R.J. Reynolds
Is Said to Offer
To Buy Nabisco

By Robert J. Cole
New York Times Service

NEW YORK — R.J. Reynolds Industries has offered to pay more than \$5 billion in cash for Nabisco Brands Inc., according to Wall Street sources.

There was no certainty that the two would proceed. But Wall Street sources said Wednesday that even if the plan fell through, several potential bidders might be waiting in the wings.

They said that Philip Morris Inc., the largest U.S. cigarette maker, already had retained Wall Street help and was watching the situation closely. Unilever PLC, the British-Dutch food and soap conglomerate, and Coca-Cola Co., the beverage giant, were viewed as other possible bidders.

Reynolds, a food and cigarette company, would be paying close to \$90 a share for Nabisco's 58 million shares outstanding, sources said. Three weeks ago, stock of Nabisco, a diversified food company, stood at \$60 a share on the New York Stock Exchange. By Thursday, Nabisco shares had jumped to \$79.75, up \$8.375 from Wednesday.

After the NYSE halted trading, Jefferies & Co., which deals in Big Board stocks off the exchange, said that it had handled about 165,000 Nabisco shares at \$75 to \$77 a share, and that the stock closed at \$76.

If concluded, the merger being proposed by Reynolds would become the biggest in history outside the oil business, surpassing the biggest non-oil merger so far. That merger was announced less than two weeks ago, when Allied Corp. agreed to buy Signal Cos. for nearly \$5 billion.

After prodding by the stock exchange, Nabisco announced only that it "has had exploratory talks with R.J. Reynolds and has reached no conclusion." It declined all further comment.

Based on sources close to the situation, discussions between the two companies turned serious "a few weeks ago" when J. Tylee Wilson, chairman and chief executive of Reynolds, phoned F. Ross John-

son, vice chairman and chief executive of Nabisco, to propose that they talk.

Wall Street analysts argued that a combination of the two would create one of the nation's stronger consumer-products companies, particularly in view of mounting pressure on cigarette companies, because of product-liability lawsuits against the tobacco industry.

Ford Bids
For Hughes
Aircraft Co.

The Associated Press

DETROIT — Ford Motor Co. disclosed Thursday that it had made a "multibillion-dollar" offer for Hughes Aircraft Co.

The No. 2 U.S. automaker said that it was disclosing its bid for Hughes as part of updating its bid for Hughes Aircraft Co., the company's financial arm.

Hughes, owned by the nonprofit Howard Hughes Medical Institute of Miami, is a leading defense electronics contractor and one of the world's leading satellite-makers. It has annual sales of more than \$5 billion.

General Motors Corp., Ford, Boeing Co. and other large companies are considered prime candidates to buy Hughes.

The Ford statement did not specify how much the company bid for Hughes.

"If the company should be the successful bidder, it would be required to make a very large cash outlay from its cash reserves," Ford said. "It is anticipated that the company would make offerings of securities prior to or after the closing of the transaction."

The company said "normal financial transactions" had been suspended pending the prospectus update and added that the update would allow those dealings to resume.

Dollar Gains in U.S.; Pound Is Firm

United Press International

NEW YORK — The dollar ended the day higher here Thursday despite a report that the U.S. index of Leading Economic Indicators had declined 0.2 percent in April. The pound remained firm.

"The Leading Indicators were down but not down as much as some had expected," a bank dealer said. He noted that the March figure was revised up to a slight gain in the eight days since the proposal was made.

Dealers said the dollar, which slipped in Europe Thursday, moved up gradually in New York. "There were no big orders to move

the market and it remained in a narrow range," a dealer said. In New York, the pound ended at \$1.2765, little changed from \$1.2725 Wednesday.

The dollar finished at 3.0825 Deutsche marks, up from 3.0695 Tuesday; at 9.394 French francs, up from 9.345, and at 2.5965 Swiss francs, up from 2.58.

One dealer said published remarks by Federal Reserve Board officials had a mixed impact.

Martha Seger, governor of the Federal Reserve, said in a speech in Washington that prospects still appear to favor moderate economic

growth in the short term and that inflation should remain under control. She indicated that the Fed was looking more closely at the value of the dollar and said she "suspects" the dollar was being given more weight in policy decisions.

Scott Pardee, executive vice president at Discount Corp. of New York and former head of foreign exchange at the New York Fed, said he believed "the next big move for the dollar will be lower."

Preston Martin, Fed vice chairman, in prepared remarks, said, "Disinflation appears here to stay for the foreseeable future."

Capital-Intensive Firms
Seen Hurt by Tax Plan

By Nathaniel C. Nash
New York Times Service

WASHINGTON — Under President Ronald Reagan's tax proposal, business would pay more than \$220 billion in extra taxes during the next five years as a result of curtailed depreciation allowances.

Business executives were surprised by the so-called recapture proposal in the president's package. It would impose an extra 13-percent tax on income deferred as a result of the acceleration of depreciation enacted in 1981, when the corporate tax was 46 percent.

With Mr. Reagan proposing to lower it to 33 percent, the 13-percent recapture levy would avoid giving an unintended profit, or windfall, on the deferral from acceleration.

"I was shocked, very surprised," said Robert M. Brown, Warwick, tax partner for Post Marwick. "I know why they did it, they needed the revenue. But I think it's unreasonable."

Mr. Reagan's tax plan essentially retains the form of the 1981 Accelerated Cost Recovery System but provides for longer write-off periods for some types of equipment. The effect is to raise effective tax rates on income from capital goods.

Under the 1981 act, the cost of cars, light trucks and laboratory equipment, for example, could be written off in three years, while other industrial equipment generally had a five-year life.

Under the proposed Capital Cost Recovery System, write-offs would be lengthened by one or two years. The proposal would also differentiate more sharply between industrial equipment with a shorter usable life and equipment with longer useful lives.

Stressing that the effects of inflation on the replacement cost of an investment should be considered, the plan also increases the depreciable value in line with negative effects of the longer write-off periods.

The administration said that its aim was to create "a more neutral cost recovery system," in which all business investments receive equal tax treatment. It argued that, under the accelerated system, certain types of equipment received more favorable tax treatment and that that skewed corporate investment patterns artificially.

Under the proposal the new depreciation classifications would include the following: Light trucks, cars and experimental equipment would be depreciable over four years at 55 percent annually; computing equipment, trucks, buses and trailers would have a five-year life, with a 44-percent depreciation rate; heavy construction machinery, aircraft and tractors would be written off over six years at 33 percent; railroad structures, boats and power generation equipment would be given a 10-year life at 17 percent; and almost all property — including low-income real estate — would be depreciable over 28 years at 4 percent.

In the first four months the current account surplus rose to 9.3 billion DM from 3.7 billion in the comparable period in 1984, while the trade surplus increased to 19.1 billion from 13.9 billion.

WIESBADEN, West Germany — West Germany's current account surplus widened to a provisional 3.7 billion Deutsche marks (\$1.2 billion) in April from a downward-revised 2.6 billion in March, the Federal Statistics Office said Thursday. The current account is a broad trade measure that includes trade in merchandise and non-merchandise items.

The trade surplus shrank to a provisional 5.3 billion DM, from an unrevised 6.4 billion DM surplus in March.

In April 1984, the current account had a surplus of 200 million DM marks and the trade account a surplus of 2.5 billion.

The office had originally put the March current account surplus slightly higher, at 2.7 billion marks. April's figures are not seasonally adjusted, but the office said the current account also showed a considerable surplus when adjusted.

Currency Rates

Cross Rates	May 30
American dollar	1.0000
British pound	1.2765
French franc	6.5596
German mark	3.3757
Italian lira	2.3667
Japanese yen	163.89
Swiss franc	1.4803
U.S. dollar	1.0000
West German mark	3.3757
Yen	163.89

Closures in London and Zurich, Athens in other European centers. New York rates at 4 P.M. (C) Commercial rates (D) Amounts needed to buy one pound (C) Amounts needed to buy one dollar (Y) Units of 100 (C) Units of 1,000 (Y) Units of 10,000 (N) not quoted; N.A., not available. (F) To buy one pound: \$163.89.

Other Dollar Values	May 30
American dollar	1.0000
British pound	1.2765
French franc	6.5596
German mark	3.3757
Italian lira	2.3667
Japanese yen	163.89
Swiss franc	1.4803
U.S. dollar	1.0000
West German mark	3.3757
Yen	163.89

Sources: Banque de Belgique (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); IMF (SDR); BAU (London, Tokyo, Athens). Other data from Reuters and AP.

Interest Rates

European Deposits	May 30
1 month	7 1/2%
3 months	7 3/4%
6 months	7 7/8%
1 year	8 1/8%

Key Money Rates	May 30
Discount rate	7 1/2%
Prime rate	7 3/4%
Broker loan rate	7 1/2%
Call money	7 1/2%
3-month Treasury bill	7 1/2%
30-day T-bill	7 1/2%
90-day T-bill	7 1/2%

Asian Dollar Deposits	May 30
1 month	7 1/2%
3 months	7 3/4%
6 months	7 7/8%
1 year	8 1/8%

U.S. Money Market Funds	May 30
Money funds	7 1/2%
Money funds	7 1/2%
Money funds	7 1/2%
Money funds	7 1/2%

Gold	May 30
Gold	344.65
Gold	344.65
Gold	344.65
Gold	344.65

Sources: Reuters, Commercial, Credit, Lloyds, London Bank, Tokyo.



For the man with exceptional goals,
a new dimension in banking services.

What makes Trade Development Bank exceptional? To start with, there is our policy of concentrating on things we do unusually well. For example, trade and export financing, foreign exchange and banknotes, money market transactions and precious metals.

Equally important, we are now even better placed to serve your needs, wherever you do business. Reason: We have recently joined American Express International Banking Corpora-

tion, with its 89 offices in 39 countries, to bring you a whole new dimension in banking services.

While we move fast in serving our clients, we're distinctly traditionalist in our basic policies. At the heart of our business is the maintenance of a strong and diversified deposit base. Our portfolio of assets is also well-diversified, and it is a point of principle with us to keep a conservative ratio of capital to deposits and a high degree of

liquidity — sensible strategies in these uncertain times. If TDB sounds like the sort of bank you would entrust with your business, get in touch with us soon.

TDB banks in Geneva, London, Paris, Luxembourg, Chisasso, Monte Carlo, Nassau, Zurich.

TDB is a member of the American Express Company, which has assets of US\$ 62.8 billion and shareholders' equity of US\$ 4.4 billion.

Trade Development Bank

Shown at left, the head office of Trade Development Bank, Geneva.

An American Express Company

BUSINESS ROUNDUP

U.S., European Firms Sign 2 Aerospace Pacts

PARIS — Two major agreements involving U.S. and European aerospace companies were announced Thursday as the 36th Paris Air Show got under way amid light security.

Airbus Industrie, the four-nation European consortium, has signed a contract to provide 28 A310-300 and A320 aircraft to Pan American World Airways. A tentative agreement for the purchase had been announced last September.

And Snecma, the French engine-maker, agreed with General Electric Co. of the United States to jointly develop a new motor.

The Pan Am agreement was part of the \$1-billion package initiated in September that provides for a lease and options on 91 aircraft to Pan Am by Airbus, of which Britain, France, Spain and West Germany are members. Airbus normally sells its planes for around \$50 million each with spares.

The other agreement, signed by Snecma's president, Jacques Benichou, and GE's senior vice president, Brian Rowe, gave the French company a 35-percent stake in development of an unducted fan engine.

General Electric has started work on the program, which has an estimated cost of \$600 million to \$800 million.

Mr. Rowe said the project was progressing better than anticipated.

The engine, which its designers hope will save 40 percent to 60 percent on fuel costs, will be tested in a Boeing 707 next spring. It is being developed for use in short-range aircraft, such as the Airbus A320, and is expected to enter service in the early 1990s.

Meanwhile, more than 2,000 heavily armed police officers, some with dogs trained to sniff explosives, patrolled the airfield at Le Bourget just north of Paris to protect some 1,000 exhibitors from 34 countries on Thursday's preview.

Members of France's elite riot police were posted on rooftops with high-caliber rifles as part of anti-terrorist security measures taken following threats against U.S. exhibitors earlier this month.

Lear Fan Parent Turns to Chapter 7 As Britain Tries to Recoup Assets

RENO, Nevada — The parent company of Lear Fan Aircraft Co. — Fan Holdings — has filed under Chapter 7 of the U.S. Bankruptcy Act in Denver. At the same time, the British government appointed a receiver to recoup as much as possible from the British investment in a Lear Fan plant in Belfast.

Chapter 7 normally requires liquidation of assets to satisfy creditors.

The British government has invested about \$57 million (\$68.4 million) in the Lear project, which government officials had hoped would provide 2,800 jobs at two factories in Northern Ireland.

The Lear Fan jet, with rear propellers and a plastic-like fuselage, never received airworthiness approval by the U.S. Federal Aviation Administration. It is unclear who owns the technology and the three Lear Fan planes already built. The British government owns the Belfast plant.

But a spokesman for a company director, Moya Lear, asserted that new investors could still come forward to help complete the approval process for the business aircraft.

In London, the Northern Ireland undersecretary of state, Rhodes Boyson, said Wednesday that Michael Jordan of the London accounting firm Cork, Gully & Co. had been appointed as receiver following Saturday's collapse of the company.

Mrs. Lear is the widow of aviation pioneer William Lear, who developed the Learjet executive plane, automobile radio and eight-track stereo. Mr. Lear, who died in 1978, sold the rights to the Learjet to Gates Learjet in 1967.

There have been continuing development problems at the Reno-based concern. A group formed by Oppenheimer & Co. invested \$30 million in Lear Fan in 1982. A year later, a group of Saudi investors formed Zoyia Corp. and invested another \$88 million. Zoyia owns 85 percent of Fan Holdings.

Ohio Cites Subsidies in Thrift Sale

COLUMBUS, Ohio — An Ohio savings and loan institution's offer to buy Home State Savings Bank will cost the state \$5 million less in subsidies than the package proposed by Chemical New York Corp., according to a state official.

Hunter Savings Association of Cincinnati, a late entry in the competition to buy the collapsed thrift, was awarded the contract Wednesday in a surprise move by Robert McAlister, the state superintendent of savings and loans.

"Hunter is likely to receive necessary governmental approvals," said Mr. McAlister.

Home State closed March 8 after depositor runs prompted by the court-ordered closing of a Florida securities company in which Home State had invested heavily. The closure triggered runs on other privately insured thrifts, which were closed a week later. Most have reopened after acquiring federal deposit insurance or merging with a federally insured company.

Hunter is a subsidiary of American Financial Corp.

AT&T Unit Opens U.K., Tokyo Offices

By Brenda Hagerty
International Herald Tribune

LONDON — American Telephone & Telegraph Co. has opened offices in London and Tokyo for AT&T Communications, its subsidiary responsible for long-distance and international voice and data services.

AT&T said Britain and Japan were chosen as sites for AT&T Communications' first overseas offices because of the volume of telecommunications business that flows between the two countries and the United States.

Britain is the third most frequently called point from the United States, and Japan is the most frequently called Far East point.

Arthur W. Penck 2d was named to head AT&T Communications U.K. Inc. in London, and Richard C. Cunnard to head AT&T Communications Japan Inc. in Tokyo. They both previously worked for

AT&T Communications' correspondent relations organization in New Jersey.

Colgate-Palmolive Co., the New York-based health-care, cleaning, sports, food and laundry-products concern, has named H. Besin a vice president. Mr. Besin, who is based in Paris, continues as president-director general of Colgate-Palmolive France and of the subsidiaries in France.

Raytheon Co., the U.S.-based electronics group, has appointed Alan Thomas a vice president. He also was named president and chief executive of Raytheon Europe International Co., which is moving its headquarters from Geneva to London this summer.

Mr. Thomas, currently managing director of Data Logic, a Raytheon Europe unit, will succeed John D. Clare, who is retiring. Peter McKee, currently finance director of Data Logic, will succeed Mr. Thomas as managing director and Mr. Thomas will become the company's chairman. The appointments are effective July 1.

Bank of Tokyo Ltd. has named Yasushi Sumiya senior managing director. He was president and chief executive of California First Bank, a unit in San Francisco. He succeeded in that post by Seishichi Itoh.

International Signal & Control Group PLC said that Franco Saggiola has been appointed chief executive officer of the group's SIEL SpA subsidiary. He is also chairman and chief executive of Proel Tecnologie SpA in Florence.

Texasco Inc. said that Lloyd G. Austin, former president and general manager of Texasco Trinidad Inc., has moved to Texasco Middle East/Far East as general manager and government representative for operations in the neutral zone between Saudi Arabia and Kuwait.

Leonard McCann Jr., previously drilling and production manager for the parent's Los Angeles division, will be deputy general manager/operations, and Frank H. Henley will be manager/process and export for operations in the zone. Mr. Henley was manager/budgets-systems planning for Texasco Europe.

BACHELORS' DIPLOMA DEGREES

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IBM President Sees '85 Revenue Up 11%

ARMONK, New York — John F. Akers, the president of International Business Machines Corp., said Thursday that he expects the company's strong overseas markets to push up 1985 revenue 11 percent, to a record \$50 billion.

About 40 percent of IBM's total revenue came from overseas operations last year, and Mr. Akers said that percentage should increase to more than half as the value of the U.S. dollar declines. Revenue in 1984 was \$45.9 billion.

Mannesmann Posts Increase in Profit

DUESSELDORF — Mannesmann AG, the West German pipe, steel and engineering group, said Thursday that net profit rose 9.8 percent to 188.5 million Deutsche marks (\$60.8 million) in 1984 from 96 million DM in 1983.

Joachim Funk, a managing board member, said world net profit and sales were expected to rise in 1985 based on the first quarter, in which sales rose 15 percent and profit increased "markedly" from 1984's first quarter. He gave no specific figures.

The steel-pipe division, which reported losses in 1984 and 1983, showed a profit in the first three months of 1985, Mr. Funk said. He gave no details.

He said that better foreign sales contributed strongly to the first-quarter improvement, repeating the pattern of the full year 1984. Domestic business rose 11 percent while foreign activities improved 17 percent.

Mr. Funk said that all divisions contributed to the first-quarter growth in sales, with the exception of Demag.

Saarland Is Seeking A Partner For Arbed

BONN — West Germany's Saarland state government is looking for an "industrial partner" for the troubled steelmaker, Arbed Saarstahl GmbH, and several parties have expressed an interest, the state economics minister, Hans-Joachim Hoffmann, reportedly said Thursday.

In an interview with Die Zeit, the West German newspaper, the minister gave no details of which companies may want to take over Saarstahl.

Arbed Saarstahl is a joint venture of the Saarland state government and the French company, Arbed.

The company is currently in a state of financial crisis and is seeking a partner to help it survive.

The company's main product is steel pipes, and it has a long history of production in the Saarland region.

The company's financial problems are due to a combination of factors, including high production costs and a decline in demand.

The state government is currently in talks with several potential buyers, but no deal has been reached yet.

The company's future is uncertain, and it is facing a difficult decision about whether to continue operations or liquidate.

The company's assets include land, buildings, and industrial equipment, which may be sold to pay off debts.

The company's employees are concerned about their future, and the state government is trying to reassure them.

The company's management is working to improve its financial situation, but it is facing significant challenges.

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Currency Options

PHILADELPHIA EXCHANGE
Options & Futures
Underlying Price Cuts—Last Puts—Last

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Year	Percentage of Population Aged 65 and Over
1950	10
1960	11
1970	12
1980	13
1990	14
2000	15
2010	16
2020	17
2030	17.5
2040	18
2050	18

Every

May 30

NASDAQ National Market Prices

Set 100: High Low 3PM City										Set 100: High Low 3PM City									
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SPORTS

Celtics' McHale:
A Man to WatchBy Sam Goldaper
New York Times Service

NEW YORK — "Ask any coach," says Chuck Daly of the Detroit Pistons, "and he'll tell you that the first thing on any Celtic scouting report is to watch out for McHale, not Larry Bird."

That should not be surprising. After four mediocre playoff seasons, Kevin McHale, the 6-foot-10-inch (2.08-meter) forward who earns \$1 million a year, has emerged as a major force in the Boston Celtics' bid to become the first team since 1969 to repeat as National Basketball Association champion.

McHale was recently named the best sixth man in the league for the second straight season, but he is starting now and making life miserable for opponents.

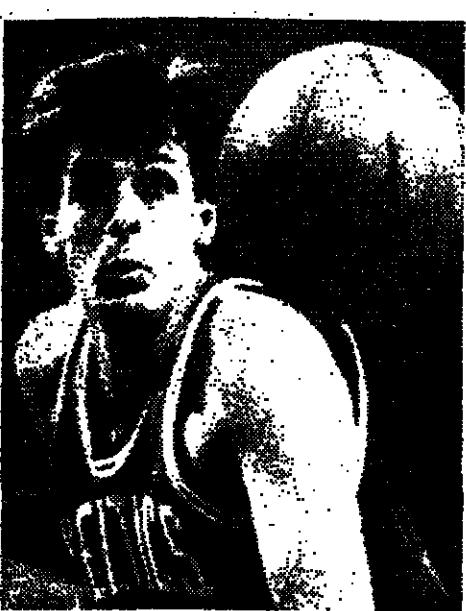
Since he became a starter on Feb. 18, when Cedric Maxwell underwent arthroscopic knee surgery, McHale has forced opposing teams to alter their thinking. Instead of causing matchup problems midway through the first period, as he had replacing Maxwell, he is now doing it from the outset. He averaged 19.3 points and shot 57 percent in the regular season. In 15 playoff games, he is averaging 20.6 points and shooting 55 percent.

With the second game of the four-of-seven game championship to be played Thursday night, the problem of whom to match against McHale belongs to Pat Riley, coach of the Los Angeles Lakers. McHale scored 26 points as the Celtics won the first game, 148-114.

Earlier in the season, while McHale was piling up 56 points against the Pistons, Daly told sleeping him down with three players fronting him. When that failed, he hurriedly called a timeout and devised a defense to double-team him with a guard. That failed, and failed again when the Celtics and Pistons met in the playoffs.

He was equally tough against the Philadelphia 76ers in the Eastern Conference championship series. Their coach, Billy Cunningham, tried putting 6-9 Bobby Jones on him, then 6-6 and 250-pound Charles Barkley and 6-10 Moses Malone. McHale averaged 21.2 points and 11.2 rebounds for the five games.

Asked after a recent practice about the difficulties he posed, McHale replied, "I guess I don't matter much who guards me. More than likely, I will still get my points." Then, after a laugh, he added, "The smaller the guy, the better."



Kevin McHale

"The primary problem McHale presents," said Hubie Brown, coach of the New York Knicks, "is his size. He's 6-10 and bigger than the majority of the people he plays against. Add his long arms and he is a classic postup player with an abundance of offensive moves. His fadeaway jumper is impossible to stop, and along with his baby hook, he is extremely strong in his power moves."

When the Celtics, who had the first and 13th choices in the draft, decided they did not want 7-foot Joe Barry Carroll as the top draft choice, they traded their choices to Golden State for Robert Parish and the Warriors' first-round choice, the third overall pick, Red Auerbach, the Celtics' president, then waited nervously as the Warriors took Carroll and the Utah Jazz selected Darrell Griffith. He then chose McHale.

The addition of Parish and McHale, coupled with Bird, who came the previous season, made the Celtics' front line arguably the best and the most feared in the league.

Does McHale prefer being a starter to being the league's top sixth man the last two seasons?

"It doesn't matter whether I start or come off the bench," he said. "It doesn't change the things I do or my playing time."

Starter or sixth man, a banner at the Boston Garden during a game against the Knicks earlier in the season, said it best. It read, "Thank Heaven for Kevin."

Oilers' Tikkanen Is a Real Ringer

By Malcolm Moran
New York Times Service

NEW YORK — In accordance with the rules and regulations of his new league, The Ringer was a helmet for his first appearance with the Edmonton Oilers. For Esa Tikkanen, this was a very good thing for several reasons.

The helmet served to conceal the prominent haircut inflicted by his new teammates, a National Hockey League rookie initiation rite that is not usually observed during the championship round of the Stanley Cup playoffs. If the Three Stooges had survived long enough for Curly to get a punk flat top instead of a rounded crew cut, he would have had a remarkable resemblance to Tikkanen.

The helmet may also have lengthened a career when Tikkanen, 20, a left wing from Finland who speaks in mechanical English, felt a stick demonstrate North American sign language for the phrase "upside the head." His professional career could certainly use some lengthening, although it might not go much farther this season. His Oilers had a 3-1 lead in the best-of-seven series when they played the Philadelphia Flyers on Thursday night.

Within the past few days, this is what has happened to Tikkanen: He signed a contract with the Oilers, who supposedly needed a left after their offense was stifled in the loss to Philadelphia in Game 1. He was placed on a line with Wayne Gretzky and Jari Kurri, the center and the right wing with the highest one-season goal totals for each position in the history of the league. He joined that line for Game 2 after the Oilers had played 80 regular-season games and 14 in the playoffs. He got his haircut, and called himself Mr. T. He added a sense of international intrigue to the championship.

Imagine the Boston Celtics unveiling a 20-year-old forward at the start of the National Basketball Association finals to play alongside Larry Bird. Imagine the Detroit Tigers throwing a brand-new 20-year-old catcher into the World Series.

They wouldn't. They couldn't.

NBA rosters are frozen at the end of the regular

season. If a player is injured in the playoffs, the roster drops from 12 to 11. Only when reduced to 8 players can a team petition for a replacement.

Baseball rosters for postseason play are determined Aug. 31. The league presidents may approve a replacement for the league championship series in the event of an injury, but not once the series have begun. Before the World Series, an injury can cause the commissioner to authorize a replacement. An injured pitcher must be replaced by another pitcher, a nonpitcher by a nonpitcher.

Then there is Tikkanen, a fourth-round draft choice in 1983 who was the most valuable player of the junior world championships last year and played for the Finnish national team this year. The Oilers placed him on their reserve list in time to meet the March 12 deadline for playoff eligibility. The reserve list may include as many as 80 players, including 50 professionals, and a team can draw from it at any time. He came from Finland less than two weeks ago, practiced with the Oilers' extras, traveled to Philadelphia, and presto.

At the end of the Oilers' 3-1 victory in Game 2, in which he had two shots on goal, Tikkanen had already met the requirement to have his name engraved on the Stanley Cup should Edmonton win. He had nothing to say about that possibility. He had nothing to say at all. "I told him not to talk to anybody," said Glen Sather, the Oilers' coach. "Let's go," Tikkanen said.

"Carry my bags," Sather said. "Let's go, rookie."

The coach was just kidding. The rookie reached into a cooler, stuffed a bottle of beer into the pocket of his sportcoat, and went out into the North American night, doing the Curly Shuffle.

■ Flyers' Lindbergh Out of Playoffs

Pelle Lindbergh of the Philadelphia Flyers, the NHL's most successful goaltender this season, will miss the remainder of the Stanley Cup finals with a torn tendon in his right knee. The Associated Press reported Thursday from Edmonton, Alberta.



Third-seeded Jimmy Connors agonizes over the first match point in his 6-1, 6-3, 6-0 victory over Blaine Willenborg during Thursday's match in the second round of the French Open.

Teltscher, Rinaldi
Upset; Other Seeds
Win in French Open

Compiled by Our Staff From Dispatches

PARIS — Teen-ager Andrei Chesnokov, the first Soviet man to play at the French Open tennis championships for 10 years, Thursday produced the biggest upset so far in men's singles by eliminating eighth-seeded Eliot Teltscher of the United States in the second round.

And in an upset in women's singles, teen-ager Raffaella Reggi of Italy beat Kathy Rinaldi of the United States, 6-1, 6-3, 6-0. Lendl stopped Jan Gunnarsson of Sweden, 7-6, 6-3, 6-2.

Navratilova took just 49 minutes to oust Catherine Tanvier of France 6-0, 6-0, and Mandlikova beat Laura Garrone of the United States, 6-3, 6-0.

Navratilova, asked if she thought about allowing her opponent to win a game, since Tanvier was playing before her hometown fans, replied, "Yeah, I thought it, but I thought better."

Heavily favored to repeat as champion, Navratilova has lost only four games in the first three rounds.

Rinaldi was the fourth seeded American to be ousted from the women's field as Reggi, 19, moved into the fourth round, where she will face Navratilova. Rinaldi, 18, followed sixth-seeded Zina Garrison, No. 12 Barbara Potter and No. 16 Pam Casale to the sidelines.

"The credit all goes to Raffi," Rinaldi said. "She played a perfect match. She made no errors and had an answer to everything."

The Italian could have won even more emphatically. She had triple-point to take the first set at 6-1. And she lost two match points before closing out the victory.

Of her match against Navratilova, Reggi said, "I have never played her before, so I have nothing to lose."

Connors remained hopeful of becoming the first American to win the French Open since Tony Trabert in 1955.

"Anything can happen," he said. "The other guy could break a leg or serve 16 double-faults."

Nystrom, the No. 7 seed, lost the first two sets and was taken to a third-set tie breaker by DePalmer. But the Swede rallied to win, 3-6, 1-6, 7-6 (7-4), 6-3, 6-4, in a second-round match that began Wednesday. After three hours of play that evening, the match was halted because of darkness with the score 3-3 in the final set.

When it resumed Thursday, Nystrom needed only 13 minutes to advance into the third round.

DePalmer, a bearded left-hander, said: "He started off slowly yesterday and I was able to take advantage. Today I tried to go out and play the same way, but he started off better."

"Yesterday we played for three hours. Today we had to go out and get warmed up, loosened up all over again," said DePalmer, a former junior U.S. Davis Cup player.

When the match resumed, both players held serve without surrendering a point, then Nystrom held again to put pressure on DePalmer for the first time.

The American saved one match point at 14-40, but hit a shot long to go out of the tournament.

Nystrom's countryman, Stefan Edberg, found an easier route to the third round. The No. 14 seed beat Jakob Hlasek of Czechoslovakia, 6-2, 6-3, 6-4.

In other women's matches, No. 7 Claudia Kohde-Kilsch of West Germany; Debbie Spence of California, and West Germany's Sylvia Hanika gained the fourth round.

(AP, UPI)

Chisox End Blue Jays' Winning Streak

Compiled by Our Staff From Dispatches

CHICAGO — The Chicago White Sox needed something to snap them out of the offensive lull that had lasted just 167 during a seven-game losing streak.

BASEBALL ROUNDUP

They got it from Carlton Fisk and Ron Kittle, who hit four home runs and drove in all eight runs Wednesday night to beat Toronto, 8-5, and end the Blue Jays' eight-game winning streak.

"It was nice to jump out ahead tonight," said Fisk, who drove in five runs with three hits and celebrated his 16th career two-homer game. "Our pitchers knew they didn't have to shut somebody out."

Fisk's first homer, his 10th this season, put the White Sox ahead, 1-0, in the second inning. Kittle, who had 35 and 32 homers, respectively, in his first two seasons, followed Fisk with just his third this year.

A's 4, Tigers 2

In Detroit, Oakland wasted no time getting started. Dave Collins doubled off Mike Wilcox to open the game and scored on the first of Carney Lansford's two home runs. The A's got two more runs in the fifth when Collins and Lansford homered.

Mariners 5, Orioles 4

Seattle's Darnell Coles blew a chance to drive home the winning run in the ninth inning in Baltimore, striking out. But in the 11th

World Series Now Nighttime TV Sport

The Associated Press

NEW YORK — All this year's World Series games will be played at night, says the commissioner of major league baseball, Peter Ueberroth, because the ABC television network has chosen to exercise a clause in its contract.

"ABC has the right to do that under the contract," Ueberroth said following an owners' meeting Wednesday. "And I told the owners I've been informed that we're going to have all night games." He said the contract was signed while Bowie Kuhn was commissioner.

ABC's decision could affect the Chicago Cubs if they reach the World Series since their ballpark, Wrigley Field, has no lights. If the Cubs were to be in the World Series, Ueberroth could order them to play their home games elsewhere.

he hit a bases-loaded sacrifice fly off Don Aase.

Red Sox 7, Twins 0

In Boston, pitching-poor Minnesota lost its seventh straight. The Red Sox jumped on starter Frank Viola for three runs in the second inning and three in the sixth in support of Dennis Boyd's five-hit performance. Wade Boggs had three of Boston's 12 hits and drove in three runs.

The Twins have allowed 48 runs in the losing streak.

Yankees 7, Angels 2

In New York, Phil Niekro limited California to two hits in winning his 290th game in the majors. Teammate Mike Pagliaro, batting just .191, homered off Jim Slaton in the fourth inning then Omar Moreno, a .189 hitter, homered off reliever Urbano Lugo's first pitch.

Royals 6, Rangers 2

In Kansas City, Missouri, George Brett hit a homer and a run-scoring single off knuckleballing nemesis Charlie Hough as the Royals beat Texas and tied California for first place in the AL West.

Brewers 7, Indians 2

In Milwaukee, Jim Gantner pitched himself up from a dust-off pitch by Don Schatzle and hit a two-run homer in the fourth to help beat Cleveland.

Reds 1, Cubs 0

In the National League, Mario Soto pitched a two-hitter and Dave Parker delivered a sacrifice fly to beat Chicago in Cincinnati. Soto struck out nine and walked four in his first shutout since 1974. He allowed singles to Ryne Sandberg in the first inning and to Keith Moreland in the fourth.

SCOREBOARD

Baseball

Wednesday's Major League Line Scores

AMERICAN LEAGUE	W	L	Pct.	GB
Minnesota	9	8	.525	—
Seattle	8	8	.500	1 1/2
Yankees	7	8	.467	2 1/2
Angels	6	8	.431	3 1/2
Red Sox	5	8	.385	4 1/2
White Sox	4	8	.333	5 1/2
Texas	3	8	.273	6 1/2
California	2	8	.200	7 1/2
Indians	1	8	.111	8 1/2
Rangers	0	8	.000	9 1/2

Major League Standings

AMERICAN LEAGUE	W	L	Pct.	GB
Toronto	27	15	.643	—
Seattle	24	18	.571	3 1/2
Yankees	23	19	.548	4 1/2
Angels	22	20	.525	5 1/2
Red Sox	21	21	.500	6 1/2
White Sox	20	22	.476	7 1/2
Texas	19	23	.452	8 1/2
California	18	24	.431	9 1/2
Indians	17	25	.405	10 1/2
Rangers	16	26	.385	11 1/2

NATIONAL LEAGUE

W	L	Pct.	GB	
New York	26	15	.634	—
Atlanta	24	17	.586	2 1/2
Los Angeles	23	18	.563	3 1/2
San Diego	22	19	.538	4 1/2
St. Louis	21	20	.514	5 1/2
Philadelphia	20	21	.486	6 1/2
Pittsburgh	19	22	.462	7 1/2
Cincinnati	18	23	.438	8 1/2
Montreal	17	24	.414	9 1/2
Chicago	16	25	.390	10 1/2

Tennis

French Open

MEN'S SINGLES	W	L	Pct.	GB
Ivan Lendl (C)	4	0	1.000	—
Andre Agassi (A)	3	1	.750	1 1/2
John McEnroe (A)	2	2	.500	3 1/2
Tim Laverne (A)	1	3	.250	5 1/2
Yannick Noah (A)	1	3	.250	6 1/2
Guillermo Vilas (A)	1	3	.250	7 1/2
Manuel Santana (A)	1	3	.250	8 1/2
Flavia Pennetta (A)	1	3	.250	9 1/2
John McHale (A)	1	3	.250	10 1/2
Blaine Willenborg (A)	1	3	.250	11 1/2

WOMEN'S SINGLES

W	L	Pct.	GB	
Navratilova (C)	4	0	1.000	—
Reggi (A)	3	1	.750	1 1/2
Chesnokov (A)	2	2	.500	3 1/2
Lendl (A)	1	3	.250	5 1/2
Gunnarsson (A)	1	3	.250	6 1/2
Tanvier (A)	1	3	.250	7 1/2
Mandlikova (A)	1	3	.250	8 1/2
Garrone (A)	1	3	.250	9 1/2
Kohde-Kilsch (A)	1	3	.250	10 1/2
Spence (A)	1	3	.250	11 1/2
Hanika (A)	1	3	.250	12 1/2

Hockey

Playoff Scorers

W	L	Pct.	GB	
Gretzky (C)	10	2	.833	—
Curry (C)	9	3	.750	1 1/2
Kurri (C)	8	4	.667	3 1/2
Edmonton (C)	7	5	.583	5 1/2
Calgary (C)	6	6	.500	7 1/2
Los Angeles (C)	5	7	.417	9 1/2
San Jose (C)	4	8	.333	11 1/2
Phoenix (C)	3	9	.250	13 1/2
San Francisco (C)	2	10	.167	15 1/2
Seattle (C)	1	11	.091	17 1/2

Soccer

W	L	Pct.	GB	
Germany (C)	10	2	.833	—
France (C)	9	3	.750	1 1/2
Italy (C)	8	4	.667	3 1/2
Spain (C)	7	5	.583	5 1/2
Sweden (C)	6	6	.500	7 1/2
Belgium (C)	5	7	.417	9 1/2
England (C)	4	8	.333	11 1/2
Scotland (C)	3	9	.250	13 1/2
Wales (C)	2	10	.167	15 1/2
Northern Ireland (C)	1	11	.091	17 1/2

SPORTS BRIEFS

NBA Clippers Keep Chaney as Coach

LOS ANGELES (AP) — Don Chaney, who became interim coach of the Los Angeles Clippers of the National Basketball Association following the dismissal of Jim Lynum on March 6, was selected as the team's coach Wednesday.

"We have spent a considerable amount of time since the end of the season canvassing for a head coach," said the general manager, Carl Scheer. "It was decided that we had the very best coach available in our own backyard."

Football Player Rewards University

BLACKSBURG, Virginia (AP) — Bruce Smith of Virginia Tech, winner of the Outland Trophy and the No. 1 choice in this year's National Football League draft, presented the university with a \$50,000 endowment Wednesday for a football scholarship in his name.

Smith said the scholarship "is my way of repaying the university for all it has done for me." The 290-pound defensive lineman signed with the Buffalo Bills for a reported \$2.6 million.

Two Crosby Sons Are Not Moving

SAN FRANCISCO (AP) — Nathaniel and Harry Crosby say they will be at the Pebble Beach course in California next year even though the famous Bing Crosby Pro-Am golf tournament bearing their late father's name will be moved to North Carolina by his widow.

"To continue a world-class affair anywhere else would be wrong. There's only one Pebble Beach, one PGA Tour and one Crosby Pro-Am," Nathaniel Crosby, 23, told the San Francisco Examiner. "In the course of time, I hope we can convince Mom the tradition should be continued at Pebble Beach."

His brother, Harry, 26, said "everybody wants it to be the Crosby and thinks it shouldn't be tampered with."

League Fires USFL Express Coaches

LOS ANGELES (UPI) — The coach of the Los Angeles Express, John Hadl, confirmed Wednesday that he and his entire coaching staff will be fired by the U.S. Football League following the season. He said the decision had been made by the league commissioner, Harry Usher.

"I'll be a free agent after June 23 along with the rest of the staff," Hadl said. "We've been told they won't pay our contracts after that." He and his assistants have another year remaining on their contracts, but it is considered doubtful that the USFL will honor the contracts.

The Express has been financed by the other teams in the league since the start of the season, when the franchise's third owner, Denver businessman Jay Koulter, bailed out. It is estimated that by the end of the season each owner in the league will have put about \$300,000 into the Express.

The Pitfalls of Progress

At the hospital, too, progress can now keep your heart beating forever while you stare forever unblinking, unfeeling, untalking, unknowing, uncaring at a point 5,000 miles away forever. That's progress at its worst. Worse even than air travel.

New York Times Service

Putting 'Rich' and 'Poor' Into Japan's Vocabulary

With a group of part-time researchers, Watanabe interviewed two dozen people in addition to writers of his acquaintance. Dealing with each profession in turn, he describes how the very successful spend

wearing clothes that are 10 years old. His income is 3.2 million yen (about \$12,800) a year. He has a constant stomach ache; he lives with a bar hostess, and for extra money sells company secrets to cheap magazines, a form of "black" journalism.

His *maru-kin* counterpart goes to the barber twice a month, rides cabs, wears a cashmere sweater from England, loafers

"I want to describe today's Japan," Watanabe said, "which is so different from my father and grandfather's experiences. My father was in World War II. My mother, my grandparents, and my elder brother and sister were in Hiroshima when it was bombed. They lived in a suburb so they were not hurt. But some relatives were injured.



Классификация и описание типов

Christine Chapman is a Tokyo-based writer who specializes in the cultural field.

Cancer Victim, 19, Ends His Run Across Canada

Vice President George Bush and his wife, Barbara, hosted a party for the entertainer Bob Hope and his wife, Dolores, Wednesday that turned into a birthday celebration. Wednesday was Hope's 82nd birthday and he was in Washington for Thursday's dedication of the Bob Hope USO World Headquarters.

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